

Buonaiuto, Kenneth

From: Kenneth Buonaiuto <174@risp.dps.ri.gov>
Sent: Wednesday, October 17, 2012 11:57 AM
To: Catlow, Todd
Subject: Re: 38 Studios Report?
Attachments: 2012-EDC-Report.pdf

Sorry Lieutenant,

See attached report.

Respectfully submitted,

Detective Kenneth S. Buonaiuto
Rhode Island State Police
Financial Crimes Unit
311 Danielson Pike
North Scituate, RI 02857
Phone (401) 444-1205
Fax (401) 444-1041

>>> Todd Catlow 10/17/2012 10:32 AM >>>
Ken,

Disregard my last email. Just found this one. However the report was not attached.

Respectfully submitted,

Todd Catlow
Lieutenant
Rhode Island State Police
311 Danielson Pike
North Scituate, RI 02857
Office: 401-444-1208
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>>> Kenneth Buonaiuto 10/10/2012 11:45 AM >>>
Lieutenant Catlow,

In reference to any report being released;

EDC Counsel Thomas E. Carlotto of Shechtman, Halperin and Savage

- No reports being drafted at this time
- Does not know of any reports relative to 38 Studios that is near release
- Advised the EDC Special Litigation Committee met last night (10/9) with EDC officials to discuss potential litigation against parties in attempt to recoup losses, but no decision has been made at this time.

Braver PC Partner Jim Prescott

- No reports to be issued

-Only auditing done by Braver PC was relative to ensuring that 38 Studios met "thresholds and milestones to meet terms of loan agreement.
-Advised Deloitte Financial Advisory Services (Boston, Ma) was never able to complete their audit because 38 Studios went into bankruptcy shortly after they were hired by state.

Media

-Unable to locate any media report addressing release of, or soon to be released, 38 Studios report.

RIPEC Report on EDC restructure

-Report released September 2012 (see attached)
-Report/Analysis created as a result of 38 Studios events, but does not address 38 Studios specifically

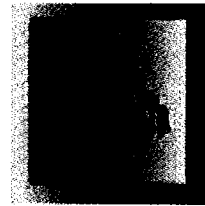
Respectfully submitted,

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Defining Government's Role in Economic Development in the Ocean State

September 2012



RIPEC

RIPEC Mission Statement

RIPEC is an independent, nonprofit and nonpartisan public policy research and education organization dedicated to the advancement of effective, efficient and equitable government in Rhode Island.

Through in-depth research, program monitoring, advocacy and public information activities, RIPEC:

- Suggests approaches to help improve the effectiveness and efficiency of government agencies;
- Promotes fiscal responsibility and sound management practices;
- Assists elected officials and their staffs in the development of sound policies and programs;
- Enhances understanding between the private sector and state and local governments;
- Provides objective information and conducts educational programs for the benefit of Council members, public officials, and the general public;
- Builds coalitions with other community groups to promote sound public policies; and
- Promotes a public policy agenda to foster a climate for economic opportunity.

Defining Government's Role in Economic Development In the Ocean State

**A RIPEC review of the Rhode Island Economic
Development Corporation: Recommendations to
Governor Lincoln D. Chafee**

2012

Prepared as a public service by the
Rhode Island Public Expenditure Council

September 2012

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List of Acronyms Used in This Report

American Recovery and Reinvestment Act (ARRA)
Base Realignment and Closure (BRAC)
Broadband Rhode Island initiative (BBRI)
Center for Regional Economic Competitiveness (CREC)
Center for Regional Economic Competitiveness (CREC)
Certified Development Companies (CDC)
Chief Financial Officer (CFO)
Customer Relations Management (CRM)
Department of Business Regulations (DBR)
Department of Economic Development (DED)
Department of Environmental Management (DEM)
Department of Labor and Training (DLT)
Department of Transportation (DOT)
Division of Motor Vehicles (DMV)
Economic Development Administration (EDA)
Economic Development Corporation (EDC)
Economic Development Organizations (EDOs)
Enterprise Zone (EZ)
Emergency Management Agency (EMA)
Executive Office of Housing and Economic Development (EOHED)
Experimental Program to Stimulate Competitive Research (EPSCoR)
Industrial Recreational Building Authority (IRBA)
International Economic Development Council (IEDC)
Iowa Economic Development Authority (IEDA)
Iowa Partnership for Economic Progress (IPEP)
Job Creation Guaranty Program (JCGP)
Memorandums of Understanding (MOU)
National Governor's Association (NGA)
National Science Foundation's (NSF)
Office of Management and Budget (OMB)
Office of Regulatory Reform (ORR)
Procurement and Technical Assistance Center (PTAC)
Quonset Development Corporation (QDC)
Quonset Development Corporation (QDC)
Regional Economic Models, Inc. (REMI)
Renewable Energy Fund (REF)
Rhode Island Airport Corporation (RIAC)
Rhode Island Commerce Corporation (RICC)
Rhode Island Industrial-Recreational Building Authority (RIIRBA)
RI Industrial Facilities Corporation (RIIFC)
Science and Technology Advisory Council (STAC)
Small Business Administration (SBA)
Small Business Loan Fund (SBLF)
Small Business Loan Fund Corporation (SBLFC)
State Small Business Credit Initiative (SSBCI)

I. Introduction

In May 2012, the Rhode Island Public Expenditure Council (RIPEC) was asked by Governor Lincoln D. Chafee to examine the current structure and operations of the Rhode Island Economic Development Corporation (EDC), a quasi-public agency whose mission is to create jobs, help companies expand and develop their workforce, and identify opportunities to bring new companies to Rhode Island. This assessment sought to help identify Rhode Island's critical economic problems and serve as a roadmap for how the EDC and the state approach economic development going forward.

The main focus of RIPEC's analysis was Rhode Island's governmental response to economic development as opposed to the role of non-profits or the private sector. As such, RIPEC's process centered on the following three issues:

- What are the essential functions of the agency? Specifically, what is the broad economic strategy for the state and what activities should the EDC engage in in order to actualize this agenda? This first step provided the framework for the rest of the analysis by helping identify the critical factors for success.
- How should the EDC be structured to best perform these functions? The organization of the EDC either supports or impairs the performance of the agency's critical functions. As form follows function, the agency's structure should be guided by the mutual goals identified in the first question so the work of the state, the EDC, and key constituencies are in alignment.
- How should resources be allocated to achieve these objectives? The successful execution of Rhode Island's economic development strategy will depend on having resources aligned with the priorities of the economic development strategy. It is also important to have right people in the right place along with the fiscal resources to adequately support these activities, and a policy structure in place that fosters investment and innovation.

As part of the process, RIPEC first outlined the organization as it exists today, which provided a baseline for the work. Then RIPEC researched organizational best practices and principles, which were used to frame and guide discussions with stakeholders and conversations with organizations in other states. Once options were considered and RIPEC and its advisory board developed recommendations, RIPEC developed an actionable agenda and transition plan for the Governor and General Assembly that identifies strategies and tasks for implementation of the state's economic plan.

In addition to this Introduction, the report contains seven sections:

- An "Executive Summary", which summarizes the findings and recommendations in this report;
- The "Agency Overview" section gives an overview of the EDC as it exists today, including how internal functions of EDC relate to external groups or entities;
- "Principles: Organizational Theory and Best Practices" introduces organizational principles from academic and industry-specific best practices;

- The “Rationale for Change” section includes description of our process and methodology, information on what other states are doing with regard to their economic development functions, and our findings;
- In the “Options” section, we outline a number of structural options the agency faces for reorganization;
- “Recommendations” outlines a number of recommended changes, both internal to the agency and external across state government, as well as additional activities that will supplement this work; and
- The “Appendix”, which includes supplemental information, such as organizational charts.

The research and findings of this report would not have come to fruition without the support and information gained in stakeholder interviews and forums. The Board and research team at RIPEC would like to thank all of the individuals who volunteered their time to interview or facilitate interviews for this process. In particular, we would like to thank the personnel at the EDC for their participation in this process and their willingness to provide information that was invaluable to our work.

Rhode Island’s economy was founded on entrepreneurship, adapting to changing economic conditions and innovation. Today, the state’s economy is languishing: unemployment is high, residents are leaving, and businesses are struggling. It took the state a long time to get to this condition, and it will take several years to get the economy back on track. However, the state has a unique opportunity to realign its economic goals and strategies, enabling Rhode Island to more effectively compete in today’s economy.

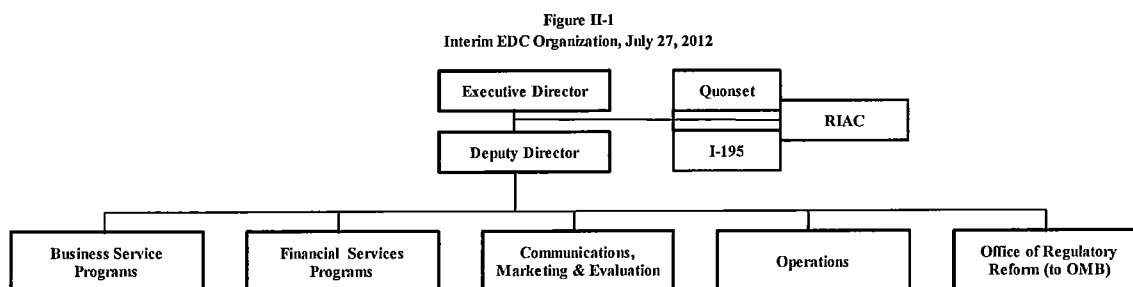
II. Executive Summary

In May 2012, the Rhode Island Public Expenditure Council (RIPEC) was asked by Governor Lincoln D. Chafee to examine the current structure and operations of the Rhode Island Economic Development Corporation (EDC), a quasi-public agency whose mission is to create jobs, help companies expand and develop their workforce, and identify opportunities to bring new companies to Rhode Island. This assessment sought to help identify Rhode Island's critical economic problems and serve as a roadmap for how the EDC and the state should approach economic development going forward.

Over the course of the past three and a half months, RIPEC's research process included the study of industry best practices and comparative structures in other states; academic organizational and management theories; and a survey of local conditions in Rhode Island, which included 75 interviews with more than 100 individuals in the public and private sectors. This report includes an overview of the existing EDC; principles used to guide RIPEC's analysis; a rationale for a change in state government; new options for reform; and RIPEC's recommendations.

Agency Overview

The EDC is a quasi-public agency and is the official economic development organization for the state. Quasi-public agencies are established under the Rhode Island General Laws, but are independent from the Executive and Legislative branches in terms of budget, governing, and policymaking. Each of Rhode Island's 21 quasi-public entities has varied amounts of power and responsibility.



The EDC's organizational structure (figure II-1) is based on the most recent reorganization from July 2012. The EDC is led by a 13-member Board of Directors. Each member is appointed by the Governor and confirmed by the Rhode Island State Senate. The Governor chairs the Board and members are not compensated. As with the Board, the EDC's Executive Director is appointed by the Governor and confirmed by the State Senate. The Executive Director serves as the state's chief operating officer for statewide economic development. In addition to the Board of Directors, the EDC has Board subcommittees.

The EDC's business development function is tasked with providing companies the tools, advice, and partnerships they need to expand. EDC employees in business development are responsible for calling existing Rhode Island firms to help them with development and business resources. The main components of the EDC's financial services division are the EDC finance programs, such as the Job Creation Guaranty Program (JCGP) and the EDC's bonding function, as well as

the Renewable Energy Fund, the Science and Technology Advisory Council, and the Broadband Rhode Island initiative. Financing programs administered by the EDC include the Job Creation Guaranty Program and the State Small Business Credit Initiative (SSBCI). The agency acts as an issuer of debt through its bonding authority and as a conduit financier for nonprofit organizations. The agency may issue debt on behalf of itself, its subsidiaries and the state.

The EDC's communications division is responsible for the strategic development and daily management of the marketing, communications and evaluation functions for the EDC's focus areas, including both internal and external messaging and communications. The EDC's operations division is responsible for administrative and professional work concerning the quasi's budget, accounting system and procedures, and financial activity. Lastly, the Office of Regulatory Reform is still reflected in the July 2012 organizational chart, but will be moving to the newly created state Office of Management and Budget. In addition to understanding the functions and form of each division, RIPEC conducted an analysis of the ways in which each of these divisions interact with entities outside the EDC and found that there are approximately 160 agency affiliates.

Principles

Once the EDC structure and functions were outlined, RIPEC turned to organizational theory and industry best practices to establish guiding principles about organizational form. Our aim was to study the ways in which successful organizations were organized—in terms of both internal structure and contextual environment. These theories and examples suggest that there are well-tested ways to improve an organization's direction, structure, and relationship with its environment (see table II-2). These principles were then applied to RIPEC's rationale for change, options for reform, and recommendations.

Direction	Structure	Environment	RIPEC Principles
Is clearly and intentionally directed;	Implements modernized metrics;	Has a focused, management-driven plan for external alliances;	Form follows function;
Is goal-driven;	Has a creative, flexible, risk-taking structure;	Is well respected by external environment;	Uses a systems-thinking approach;
Requires long-term, flexible planning;	Is adjustable in light of new information;	Relies on public-private partnerships;	Focuses on simplicity and efficiency;
Is customer driven	Is customer driven;	Institutionalizes collaboration	Clearly and directly communicates with stakeholders;
	Is efficient with funding;		Improves perceptions about economy;
	Invests in people		Increases accountability

SOURCE: Organizational Theory and Design; Management Theory and Practice; The Outstanding Organization; the National Governors' Association; the International Economic Development Council

Rationale for Change

Throughout several discussions with national research groups and other states' economic development leaders, as well as extensive research of Rhode Island's local conditions, RIPEC found that Rhode Island's economic development structure does not compare well to other states. Rhode Island's structural shortcomings have resulted in both broad and agency-specific impacts over time.

Broadly, RIPEC found that Rhode Island lacks a systematic, regular, data-driven approach for evaluating our economy's past and present, which prevents the state from developing a common vision of the economy going forward. Also, while there are various economic development plans throughout the state, they are not coordinated with a consensus-based, broad approach for economic development. These limitations result in the duplication of effort and missed opportunities, making it functionally difficult to be efficient.

At a more specific level, RIPEC found that the EDC is in need of considerable rebranding. The agency also lacks clearly delineated responsibility and regularly established metrics to measure outcomes. There is a need for greater internal resource alignment and efficiency. Without streamlining and realignment, EDC programs are challenged by decreasing or under-funding, understaffing, and insufficient technology. Effective expansion of services will require improved, enhanced marketing and more effective information dissemination.

Moreover, reversing the state's consistently low ranking in business climate reviews should occupy a more prominent position on the state's economic development agenda. This could change the emphasis of economic development policy from offering deal-by-deal tradeoffs to systematically shifting the business and tax climate.

Options

In addition to examining the internal agency structure, RIPEC also reviewed the agency's placement relative to government, for which there are an infinite number of options to consider. This spectrum ranges from purely a private-sector entity to an entity wholly contained within the public sector (within state government). RIPEC has identified four broad categories of locations along the continuum of governance: private sector; public-private partnership; quasi-public organization; and governmental. There are myriad options or combinations along these categories and the following options are not comprehensive or exclusive. Rather, these four options reflect the findings of RIPEC's comparative analysis. For example, we did not find one state that had a purely private sector-approach and, therefore, did not present a purely private sector-approach as an option.

- Option one is to maintain the status quo, with a quasi-public agency led by an executive director appointed by the Governor.
- Option two involves the Governor appointing a Director of Commerce to oversee the economic development functions of the state through a Department of Commerce, which would be a newly created state agency. This option would essentially bring the EDC's

internal functions under state government control. In this option, the EDC could either maintain or dissolve the existing quasi-public agency.

- Option three would move some or all EDC functions under state government. It differs from the Department of Commerce (option two), since it would create a secretariat of different agencies instead of a singular agency. The secretariat could include other state agencies that are related to economic development.
- Option four would put the EDC Director in the Governor's Office without necessarily creating a new state agency. Versions of this option could include either moving internal EDC functions into state government or maintaining their quasi-public status.

Recommendations

RIPEC's recommendations were developed to accomplish three main goals.

Table II-3
RIPEC Recommendation Goals
Providing services more effectively by shifting towards a more customer-centric approach that is responsive, flexible and efficient;
Increasing accountability by clearly:
Defining responsibility and authority;
Communicating the state's economic development role and functions internally and externally;
Delineating a chain of command;
Establishing goals and a roadmap for implementation;
Creating a system by which success can be evaluated; and
Improving the perception of the EDC and Rhode Island's economy more broadly.

The recommendations are divided into three sections: external restructuring; internal reorganization; and additional activities. External recommendations focus on restructuring outside the EDC and are designed to recommend changes to economic development activities across other entities. Internal recommendations focus on modifications to the current EDC structure and functions. Additional recommendations seek to provide focus and direction to Rhode Island's broader economic development needs.

External Restructuring

The most essential external restructuring recommendation is to fundamentally change how Rhode Island's state government structure relates to economic development. Contrary to every other New England state, Rhode Island does not currently have a state agency focused on economic development. RIPEC recommends creating a new Executive Office of Commerce secretariat of existing state government agencies that work on economic development issues (the

Department of Environmental Management, the Department of Labor and Training, and the Department of Business Regulations). The Executive Office of Commerce would be led by the Secretary of Commerce. The Secretary would be a member of the Governor's staff and would coordinate all activities of the three agencies within the secretariat. This arrangement would improve coordination and elevate the importance of commerce-related issues and policy.

To fill a current void in economic development public formation and analysis, RIPEC also recommends the creation of a Council of Economic Advisors. This Council's primary responsibility would be to provide economic analysis and develop policy for the Governor and state policymakers on various economic or fiscal issues such as the cost and benefits of tax expenditures, strengths and weaknesses of the state economy, and areas or industries in which the state should focus development efforts. The Council would have the capacity to compile data from various state agencies to use in their analyses. They would also create a standardized and agreed-upon set of metrics by which they and other policymakers might evaluate and modify economic development activities.

RIPEC's research also found that there is a need for greater coordination of economic development activities across state government. To improve alignment and reduce duplication of effort, RIPEC recommends the creation of an Economic Coordinating Council, which would consist of agencies or departments related to economic development. This Council would be chaired by the Secretary of Commerce.

Internal Restructuring

To supplement the new Executive Office of Commerce, RIPEC recommends maintaining a quasi-public agency devoted to economic development. However, the composition of this quasi-public agency should differ from the existing structure and operations of the EDC. The existing EDC must shift to a more customer-centric approach. Due to the poor reputation of the EDC, the first step in this process is to rebrand the new quasi. For the purposes of this report, RIPEC has recommended naming the new quasi the Rhode Island Commerce Corporation (RICC). The Secretary of Commerce would become the Chairperson of RICC and would appoint RICC's Chief Operating Officer. The Secretary of Commerce would decide which backroom functions would be transferred to the Executive Office of Commerce from the old EDC. The main focus of this new quasi-public agency would be to focus on the needs of Rhode Island businesses.

The new quasi-public agency's Board would have four main functions: internal policy development and implementation; establishing financing guidelines and principles for loans and guarantees; approving loans and guarantees in accordance with the new procedures; and monitoring and reporting on the activities of the Corporation. The Board would provide advice and counsel to the Secretary of Commerce on policy matters and implementation procedures (see previous section on policy analysis and research). Although the Board would not be responsible for developing broad, statewide policy, they would, working with the Secretary and new Chief Operating Officer, work to operationalize policies developed by the statewide planning process. Working together, they would be responsible for aligning the function of the RICC to meet the policy goals in the statewide plan, establish metrics to evaluate success in achieving these goals, and ensure operational efficiency of the RICC.

In addition to the Board, the new quasi-public agency's mission should be reworked. A newly created Business Development Center (BDC) should be the quasi-public's primary entry point for incoming businesses looking for assistance. The BDC should refer customers to the next appropriate center, such as financing or advisory services. RIPEC suggests incorporating a function into the BDC that would support the development of public-private partnerships. As a "concierge," this Center would also be the public face for Rhode Island business retention, growth, and attraction efforts. The flow of customers through this Center would be tracked and managed by a customer relations management system. The results of this tracking system would be periodically monitored to ensure the Center's effectiveness. To supplement these business development activities, the Board and the Secretary of Commerce should develop a protocol for business outreach for in-state and out-of-state businesses.

Other reforms at the newly-organized quasi-public agency should include the development of a well-funded, well-staffed research arm. While policy interpretation should ultimately occur at the level of the Council of Economic Advisors, this new research arm at the quasi-public would be responsible for supporting the agency's internal activities (such as the development of comparative analyses of relevant activities in other states and how Rhode Island compares). The research arm would also provide external support, such as the use of economic forecasting software like REMI modeling.

Although RIPEC did not perform an evaluation of the current EDC staff to determine if they have the necessary skills, training and qualifications suitable for the newly designed quasi-public, such a review should be conducted with the appointment of the Secretary of Commerce. Additionally, how positions are funded—particularly those positions that are funded through external sources—should be considered when evaluating staffing needs and allocation (particularly if structural changes to the quasi-public would impact these revenue sources).

RIPEC did not recommend any major changes to the existing EDC's subsidiaries or conduit financing entities. However, RIPEC does suggest further review regarding whether the economic development activities of the three subsidiaries are in line with the overall economic development strategy of the state. Similarly, RIPEC suggests further analysis regarding whether some of the quasi-public conduits could be merged with other state conduit financing agencies to achieve greater efficiency of resources.

Lastly, RIPEC suggests that the Administration review the possibility of identifying a predictable source of funding for economic development. The new quasi-public agency should have a predictable revenue stream with the ability to make multi-year commitments. This stability would provide more consistency and confidence, which is particularly important to the development of stronger public-private partnerships.

Additional Recommendations

In addition to external and internal reorganization, RIPEC has produced three broad recommendations to improve Rhode Island's business climate, economic development planning, and offerings that promote access to capital.

Since Rhode Island consistently ranks poorly in business climate reviews, RIPEC recommends that the Governor create a working group to analyze the various studies that rank business climates across all fifty states, including an analysis of the comparative cost of doing business in Rhode Island. This analysis should determine ways for Rhode Island to improve its current rankings and should include working with the various organizations that publish the rankings. The working group's recommendations should be prepared, and a legislative package developed, for the 2013 legislative session.

To address Rhode Island's lack of a consensus-based economic plan, RIPEC recommends that the Governor issue an executive order to develop and implement a written, comprehensive economic development policy for the state and a strategic plan for implementing the policy. The policy should set long-term goals and measurable benchmarks, which are not limited to a particular administration. Further, the strategic plan should give consideration to any impacts on the business community. This planning process should be institutionalized to ensure it is a living document, reflecting current conditions and goals. It should be reviewed at the beginning of each new gubernatorial administration.

Currently, the Statewide Planning Division in the Department of Administration is involved in a statewide planning process which may meet these parameters, and this recommendation has already been provided to the Division for consideration. There is also funding available for their process. In order to ensure the continuation of these efforts, RIPEC has prepared an executive order, and a recommended legislative amendment to institutionalize the planning process for each time a governor takes the oath of office.

The last recommendation requiring independent or outside analysis relates to the EDC's existing loans and loan guarantee programs. RIPEC recommends that there be an in-depth examination of the viability of sub-contracting out some of these financing programs. For example, there are several external firms that currently compete with the existing EDC's Small Business Loan Fund program. RIPEC's preliminary analysis suggests that the non-EDC loan programs are as price competitive and more efficient from a staffing standpoint than the corporation. While such an analysis is beyond the scope of this report, RIPEC believes the Board should commission an independent analysis that examines these issues and recommends a mix of possibilities for the agency as it moves forward.

Conclusion

The recommendations will change the economic development structure of Rhode Island. Placing the economic development function inside state government, organized as a secretariat, improves coordination and elevates its importance. Internal reorganization allows for the agency to be more focused in its implementation of statewide policy, and will support a customer-oriented approach that will both repair brand damage and be more responsive to the needs of businesses. Finally, the consensus-driven creation of a statewide economic development plan will form a solid foundation for the state as it works to improve its economic outlook.

It should be noted that RIPEC did not make recommendations on every issue that was raised during this review. Once a new structure is in place, leadership should take the initiative to conduct further evaluation of the organization. For instance, the effectiveness of the various

programs and offerings was not specifically analyzed, but it is recognized that this should be accomplished as the reorganized structure is implemented. Similarly, the issue of leadership was not addressed specifically in this document, although it is clear that there must be strong and capable leadership for any system to reach its full potential.

The processes by which these recommendations may be implemented are not included in this report. Rather, they will be published in a separate document, to be released soon. This “transition plan” will include RIPEC’s recommendations on how to proceed through the next steps, such as the creation of the secretariat, implementation of structural changes to the agency itself, and how the state might want to approach the development of a statewide plan.

While the path toward reform presents a number of challenges, the state has a window of opportunity to anchor its economic development structure in best practices and data-drive metrics. These efforts will require considerable political will and change will not happen overnight. However, it is imperative that the state address these issues to avoid once again retreating to the economic development drawing board. Rhode Island has a strong history of innovation, entrepreneurship and productivity and can use these traits to revitalize its economy. Capitalizing on Rhode Island’s unique resources in the context of this more aligned and functional structure will put Rhode Island on the path to prosperity.

III. Agency Overview

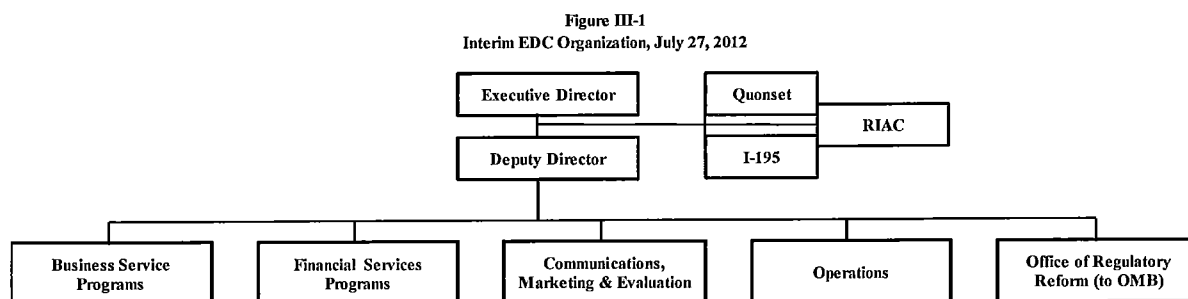
Today, the EDC's mission is "to create jobs, help companies expand and develop their workforce, and identify opportunities to bring new companies into our state." It serves as the lead agency for the state's economic development initiatives. Broadly, the EDC is comprised of three subsidiaries, two quasi-public agencies involved with financing, and five internal departments, as of the most recent agency reorganization. In addition, the agency itself acts as both a direct issuer of bonds and as a conduit lender.

The organization is intended to serve as a resource for businesses, particularly those looking to expand in or relocate to Rhode Island. To this end, the agency includes the following functions: business service programs (such as small business development assistance); financial services programs, including lending services; communications, marketing, and evaluation, a division which includes their metrics and research functions; and operations.

This section examines the structure and functions of the EDC historically and as they exist today, including an overview of the agency's subsidiaries, financing partners, and external relationships. Also included is a summary of economic development expenditures in the state, as well as an overview of the organization's budget.

Organizational History

The structure of the EDC has undergone a number of revisions over the life of the Corporation. Most recently, as RIPEC was conducting its analysis, the agency's structure was revised, with the goal of streamlining operations and increasing managerial oversight. Organizational charts reflecting the prior structure of the agency are in the Appendix, while the current agency structure is shown in figure III-1.



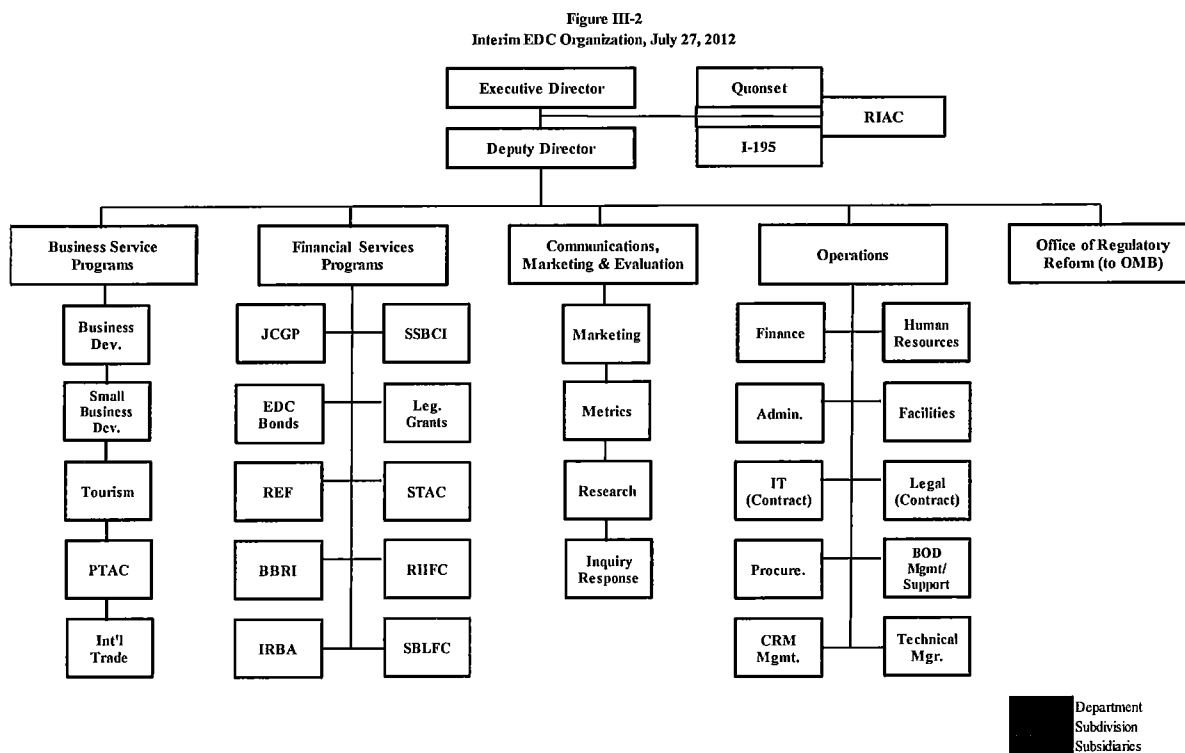
From 1999 to 2012, the EDC's organizational structure grew horizontally. Focus shifted from project-based delineation to responsibility dispersed between directors – with limited jurisdiction – over more general functions. An analysis of organizational charts since 1999 suggests that the major functions of tourism, communication, and development have remained in most iterations of the agency's structure (though business development shifted from being dictated by specific industry foci to its current model, which does not formally focus on individual industries). Partnerships with academic entities begin in 2008, but have been inconsistent over time. Workforce development was a function of the EDC in an on-and-off capacity over this time period.

The consolidation and addition of new categories of activity suggests an effort to accommodate a new business climate or emphasize new EDC priorities. The 2003 structure also marks the divergence from an overarching Board of Directors to a top Executive Director and a more horizontal structure.

While still horizontal in nature, changes over the past few years suggest that the organization has become more streamlined, with an emphasis on financial programs. The July 2012 provisional organization resembles a more consolidated, vertical model with a Deputy Director overseeing a scope of work that addresses businesses, financial services, communications, and management. Evaluation is recognized as part of Communications and Marketing.

Current Organizational Structure

The current internal divisions of the EDC were rearranged in July 2012, as RIPEC was conducting this study. The organizational structure below is based on these most recent July 2012 changes:



SOURCE: EDC Documents

EDC Personnel and Organizational Structure

The EDC is led by a 13-member Board of Directors. Each member is appointed by the Governor and confirmed by the Rhode Island State Senate. The Governor chairs the Board and members are not compensated. There are three members of the public represented on the board (one who must be a business owner of a Rhode Island business, one who must represent organized labor and a third who must represent higher education). The Board of Directors meets once a month.

In addition to the Board of Directors, the EDC has subcommittees (some of which are currently inactive) including the Access to Capital subcommittee; the Making it Easier to Do Business subcommittee; the I-195 Redevelopment subcommittee; and the America's Cup subcommittee.

The July 2012 organizational chart shows that the agency currently employs 41 individuals, though there are positions for 50 employees. As with the Board, the EDC's Executive Director is appointed by the Governor and confirmed by the State Senate. The Executive Director serves as the state's chief operating officer for statewide economic development and serves as the Executive Counselor to the Governor on Economic Growth and Community Development. The Executive Director oversees senior level EDC activities and serves as the agency's liaison to external groups.

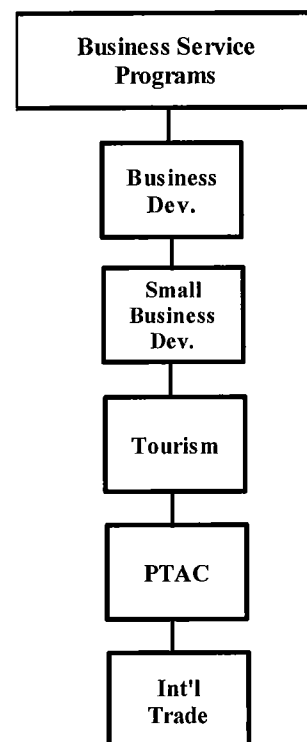
An operations manager, a chief financial officer, and four managing directors report directly to the executive director. The four managing directors include a director of Business Services; Financial Services; Communications, Marketing and Evaluation; and Operations. Each managing director oversees between one and four programs, as shown in figure III-2 above.

Business Services

The main components of Business Services are Business Development & Small Business Development; Tourism; the Procurement and Technical Assistance Center (PTAC); and International Trade (see figure III-3).

The business development function is tasked with providing companies the tools, advice, and partnerships they need to expand. EDC employees in business development are responsible for calling existing Rhode Island firms to help them with development and business resources. They are also charged with recruiting out-of-state businesses to relocate in Rhode Island. There are nine targeted industry sectors (consumer products and design, defense and homeland security, financial services, green economy, health and life sciences, information technology and digital media, manufacturing and industrial products, marine trades, and tourism and hospitality). Currently, there are two employees working in the business development division – one primarily focused on defense industry development and the other focused on marine trades and workforce training.

Figure III-3



SOURCE: EDC Documents

There is also a small business development division, which is primarily focused on urban small businesses (the “Main Streets Program”) in the cities of Pawtucket, West Warwick, Providence, Woonsocket, and Central Falls. This division works with the Governor’s “Year of Cities and Towns” initiative, which is also focused on urban communities. There are three EDC employees involved with the urban small business initiative.

Tourism is another function under the aegis of Business Services. The Division of Tourism at the EDC is charged with promoting Rhode Island tourism to inspire job creation, new visitor spending/tax generation, business introductions, and quality of life enhancements. The Division of Tourism maintains the state’s official tourism website, VisitRhodeIsland.com, which organizes a trip by destination, activity, accommodation, and niche interest. A mobile version is also intended to generate additional traffic to the site by furnishing travelers with functions to search destinations proximate to their Rhode Island location. The three EDC employees in the tourism division also work with the regional tourism councils. Tourism at EDC also relies on the contracted work of an external marketing firm in New York City.

The Rhode Island Procurement Technical Assistance Center (PTAC), another division of Business Services, helps businesses access and compete for local, state, and federal government business opportunities. Free services include individual counseling and group training. According to the most current organizational chart¹, there are five positions allocated to PTAC: a manager, three counselors² (one ½-time), and a ½-time administrative assistant. However, these positions are not explicitly delineated in the EDC’s FY 2013 employee roster because they are funded by other sources.

The last Business Service division is international trade. There is one funded EDC position in this division, who is an employee of Bryant University. The EDC and Bryant work cooperatively to provide training programs to increase the effectiveness of Rhode Island’s exporters. The export training programs seek “to create jobs in Rhode Island through increased exports.” Programs are offered in customized exports, market entry, and trade missions.

The international trade function of the EDC also involves facilitating meetings between Rhode Island companies and international partners, and market data collection, analysis, and distribution. Trade mission initiatives put Rhode Island exporters in direct contact with potential overseas partners and important government officials. The Rhode Island Export Assistance Center provides local businesses with international market data.

Financial Services

The main components of the Financial Services division are the EDC finance programs, such as the Job Creation Guarantee Program and the EDC’s bonding function, as well as the Renewable Energy Fund, the Science and Technology Advisory Council, and the Broadband Rhode Island initiative (see figure III-4).

Financing programs administered by the EDC include the Job Creation Guaranty Program (JCGP)³ and the State Small Business Credit Initiative (SSBCI). The Job Creation Guaranty

¹ Interim EDC Organization, July 27, 2012, FY 2013 Employee Roster does not explicitly describe PTAC positions

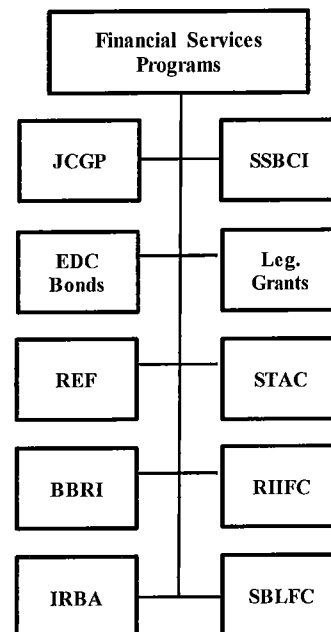
² As of the July 27, 2012 chart, one position remains vacant

³ See www.rilin.state.ri.us/publiclaws/law10/law10026.htm for the legislation regarding this program.

Program was established by Rhode Island's legislature in 2010 and provides debt guarantees for both soft and hard assets. It targets high-growth sectors and jobs tied to the "knowledge economy". The program also includes a per job penalty for shortfalls in targeted job creation. The SSBCI is a treasury grant program the EDC administers for three different economic development-related programs.

In 2011, Rhode Island was awarded \$13.1 million in grants from the 2010 US Treasury SSBCI program. The EDC signed Memorandums of Understanding (MOU) with the Small Business Loan Fund (SBLF; see below), Betaspring, and Slater Technology Fund to deploy the state's SSBCI money. Of the \$13.1 million across all grants, \$9.0 million will go to the Slater Technology Fund, \$2.0 million will go to Betaspring and \$2.1 million will go to the SBLFC for capital. Rhode Island has until September 2013 to draw down all tranches of funding.

Figure III-4



SOURCE: EDC Documents

Table III-1
EDC Finance Programs

Description	Process
*Rhode Island Industrial Facilities Corporation (RIIFC)	Issues Industrial Revenue Bonds (both taxable and tax-exempt) for manufacturing and commercial endeavors Application process officiated by board of directors, plus a commitment letter from bond purchaser, financial statements from past 2 years, balance sheets, application fee (\$1000), extensive application detailing project plans
*Rhode Island Industrial-Recreational Building Authority	Provides debt insurance on tax-exempt/taxable bonds, mortgages for facilities and equipment Process officiated by board of directors; extensive application requires historic and current financial statements, three years' projections, and credit reports to prove financial solidity and borrower purpose fits program mission
Jobs Creation Guarantee Program	For start-ups and established businesses, loans tied to creation of quality jobs Complete application and demonstrate the following Co-investment 20-30%, creation of 8-11 jobs/million invested over term, positive cash flow within 24 months, personal guarantee
Renewable Energy Fund	Grants, loans, and financing managed by the EDC for renewable energy projects Ranked by: technical feasibility, financial viability, anticipated amount of renewable energy, estimated cost per kilo-watt hour of energy produced, project management, time to market, economic development impact
*Small Business Loan Fund Corporation (SBLFC)	Revolving loan fund managed by EDC for businesses unable to attain conventional financing Requires a bank rejection letter; Applications reviewed by experienced staff and approved by SBLF board

* Quasi-public

SOURCE: EDC Resources, RIPEC research

Table III-2
EDC Financing Programs for Target Audiences

	Business Stages:				
	Idea Stages	Starting Up	Early Stage	Growing Companies	Expanding Successful Companies
Benefiting Party	Aspiring entrepreneurs	Newly formed ventures, typically pre-revenue	Young businesses w/growing sales, typically pre-profit	Established businesses w/increasing revenue & profitability	Companies looking to leverage success to seize new market opportunities
Existing Need	Accelerator Capital to turn innovative ideas into companies	Start-up Seed Capital to help businesses get off the ground	Growth Capital to get the company closer to break-even or profitability	Working capital, asset acquisition funding to scale-up operations to meet increasing demand	Flexible financing to fund working capital, R&D, asset acquisition, workforce expansion
Reason for financing	To help bring products/services with high growth potential to market	To provide working capital/R&D resources so companies can bring their product to market and start generating sales	Due to limited history, companies may not have access to traditional lending	To support growing companies as they evolve into industry leaders or stronger more profitable companies	To provide company with right mix of debt/equity financing to continue to achieve growth
EDC Program	BetaSpring Partnership for tech companies using federal small business grant; and Renewable Energy Fund using RI ratepayer funding	Slater Technology Fund partnership for pioneering companies using federal small business grant; Job Creation Guaranty: state-backed loan guaranties for jobs; and Renewable Energy Fund using RI ratepayer funding	Job Creation Guaranty Program: state-backed loan guaranties for jobs; and Renewable Energy Fund using RI ratepayer funding	Small Business Loan Fund: direct small business loans; and Job Creation Guaranty Program: state-backed loan guaranties for jobs; and Renewable Energy Fund using RI ratepayer funding	Small Business Loan Fund: direct small business loans w/federal grant support; and Job Creation Guaranty Program: state-backed loan guaranties for jobs; and Renewable Energy Fund using RI ratepayer funding
					Guarantees on bank loans for buildings, equipment + machinery (bond financing); leveraging partnerships w/RI banks; and Renewable Energy Fund using RI ratepayer funding

SOURCE: EDC Materials

In addition to the functions outlined above, the EDC finance programs include two more functions. The agency acts as an issuer of debt through its bonding authority, as well as acting as a conduit financier for nonprofit organizations. The agency may issue debt on behalf of itself, its subsidiaries and the state. Examples of debt issued through EDC include bonds sold on behalf of the Rhode Island Airport Corporation (RIAC). Lastly, the EDC also serves as a pass-through for economic development-related legislative grants.

The Renewable Energy Fund (REF) provides loans, grants, and recoverable grants through four separate programs. The REF is primarily a ratepayer fund, supported through a surcharge on utilities (though there are other funding sources), over which the EDC assumed management control in 2008. It funds the majority of the renewable energy projects, companies, and initiatives in Rhode Island. The Fund's focus has transitioned from a purely grant-making enterprise to the enactment of a broader energy-based economic development strategy. The Fund was also responsible for managing a portion of Rhode Island's stimulus allocation. As of July 2012, the REF had approximately \$6.5 million in available funds. Based on the most recent organizational chart, there are two full-time positions allocated to the REF (though one of these positions is vacant).

As of July 2012, the EDC's financial services division also includes the Rhode Island Science and Technology Advisory Council (STAC), and the Broadband Rhode Island initiative (BBRI). The STAC was formed in 2006 by the Governor and the General Assembly to serve as Rhode Island's National Science Foundation's (NSF) governing committee for the NSF's Office of Experimental Program to Stimulate Competitive Research (EPSCoR). The program's purpose is to "strengthen research and education in science and engineering throughout the United States and to avoid undue concentration of such research and education."⁴ As the state's governing committee for the program, STAC's purpose is to develop investments that maximize the impact of research, technology and innovation through collaborative efforts across institutions.

The Council has a rotating board of 13 members, representing public and private leaders, which issues research grants to public and private institutions. In addition, STAC produces economic plans such as the state's first Statewide Science and Technology Plan. At the EDC, there are two full-time positions allocated to STAC (though one is vacant). These positions do not receive state EDC appropriations; instead they are funded by other sources. Although STAC does not report to the EDC, it does coordinate with EDC staff on projects of mutual interest.

The Broadband Rhode Island initiative serves to improve broadband connectivity and literacy statewide, allowing residents to capitalize on the advantage of a strong information technology infrastructure. In particular, BBRI offers five core programs: mapping and data verification; digital literacy; an online business incubator; research; and policy. The program funds three full-time positions through external sources (though one is vacant).

Programs within the finance department, including the REF, STAC and Broadband, include 11 full-time employees total. Of these employees, the Managing Director of Financial Services, four portfolio managers, the client relations manager, and the operations manager are all paid out of

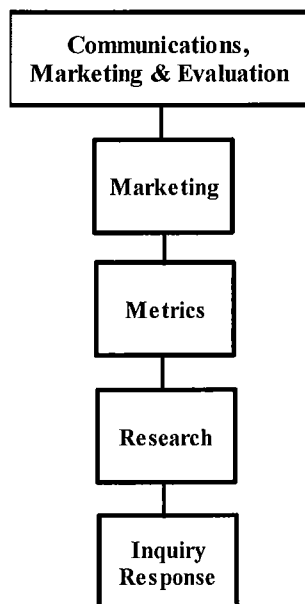
⁴ "About EPSCoR," National Science Foundation's Office of Integrative Activities.

the revenue generated by the finance area. These employees have not been funded out of the state EDC appropriation for approximately ten years.

The Corporation has two stand-alone quasi-public agencies that are involved with financing: the Rhode Island Industrial Facilities Corporation (RIIFC) and the Rhode Island Industrial-Recreational Building Authority (RIIRBA). The RIIFC offers tax exempt and taxable bonds without guarantee or insurance for the applicant while RIIRBA provides bond and mortgage insurance for manufacturing and recreational facilities and equipment. RIIRBA's eligible applicants are typically manufacturing projects (though the taxable bonds include selected commercial facilities). The EDC provides administrative support and office space to these entities and the EDC Director serves as both entities' ex-officio Executive Director and Chief Executive Officer. The RIIFC is controlled by a Board of Directors, consisting of five members appointed by the Governor. The RIIRBA's board consists of five members, appointed by the Governor for five-year terms. Since 2006, RIIRBA nominations are subject to the advice and consent of the Senate.

The Small Business Loan Fund (SBLF) is another of EDC's financing programs and is run out of the Small Business Loan Fund Corporation (SBLFC). The SBLFC consists of five members, appointed by the EDC for a period of five years. The EDC Director serves as Executive Director and Chief Executive Officer, ex-officio of the SBLFC. Applicants eligible for this direct loan program include those engaged in existing manufacturing, processing and other related businesses. There is a maximum \$250,000 per project limit, and program funds typically average about 25 percent of the total project costs. Prospective lenders are required to show either bank participation or a bank turn-down letter. Funds are typically used for the acquisition of land, buildings, equipment, and working capital. The fixed interest rate for the loans is the prime rate plus a risk premium, recently around 7.5 percent. This revolving loan fund has turned over six times in its lifetime and is currently worth approximately \$12 million. The fund generates between \$700,000 and \$900,000 in revenue for the organization per year.

Figure III-5



Communications, Marketing and Evaluation

As of July 2012, this division included four communications employees, all of which are full-time with the exception of one part-time marketing position. This division is responsible for the strategic development and daily management of the marketing, communications and evaluation functions for the EDC's focus areas, including both internal and external messaging and communications. Recent initiatives include a "Rebranding the EDC" campaign, which focused on developing a refreshed EDC logo and tagline, as well as new messaging about the organization. This initiative also includes changes to aspects of the EDC website.

The research and evaluation function at the EDC is responsible for compiling reports on Rhode Island's economy, labor market, real estate, infrastructure, demographics and general business trends. Resource documents published in 2012 include a directory of

SOURCE: EDC Documents

businesses in Rhode Island’s jewelry industry; a directory of Rhode Island colleges and universities; contact information for the state’s industrial parks; a list of Rhode Island’s largest revenue-generating businesses; a list of hospitals in the state; information for individuals looking to move to Rhode Island; and a real estate report. Although this information was compiled in 2012, the other economic data and analysis offered by the EDC’s research division on the Corporation’s website appears to be two or more years old. To facilitate the production of economic research and analysis, the EDC subscribes to two databases: Reference USA (a business listing and contact database); and REMI (an economic modeling tool that projects economic impacts). The agency’s research division began reducing staff in 2007. Currently there are no employees engaged in research at the agency.

Operations

The Operations division includes the chief financial officer (CFO), an accountant, a human resource manager, an operations manager, and other administrative assistants. Overall this division includes 11 positions, two of which are currently vacant. This office is responsible for administrative and professional work concerning the Corporation’s budget, accounting system and procedures, and financial activity. They are also responsible for updating the employee handbook and job descriptions, including the employee performance evaluation system (there is a system in place for performance evaluations, but it has not been used since 2011). This division also facilitates and coordinates events such as EDC Board meetings.

Regulatory Reform

The purpose of this office, which includes two employees, is to create and refine a clear, predictable and reliable state and local regulatory system. It is also focused on making Rhode Island businesses more aware of the regulatory and permitting processes by providing information. The office also works with the EDC Board’s Making it Easier to do Business

SOURCE: EDC Documents

subcommittee and other external working or coordinating groups who focus on regulatory issues. Though the Office of Regulatory Reform is listed on the July 2012 EDC organizational chart as an EDC division, the office is transitioning out of its location at the EDC and into its new location in the newly-created Office of Management and Budget in the Department of Administration, per the FY 2013 budget as enacted.

Figure III-6

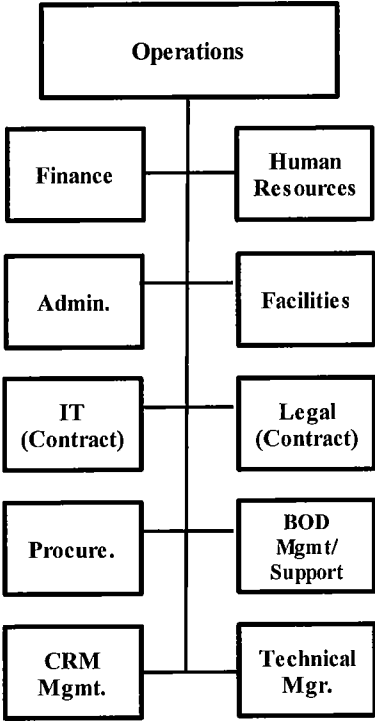
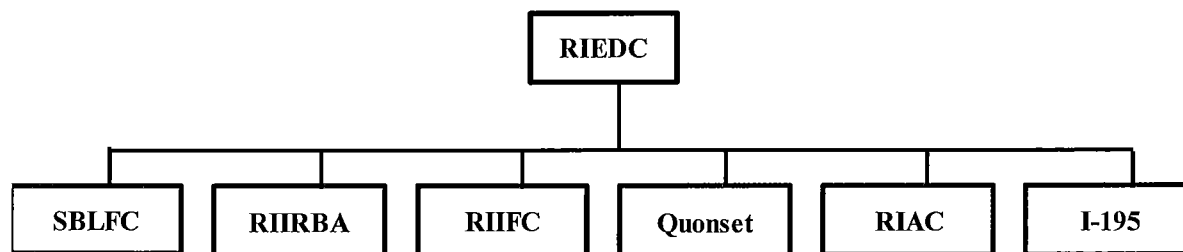


Figure III-7



SOURCE: EDC Documents

The Quonset Development Corporation, Rhode Island Airport Corporation, and Route 195 Redevelopment Commission are all subsidiaries of the EDC and must receive EDC approval to borrow money, sue or be sued, or exercise eminent domain.⁵ Since the EDC operates on behalf of its subsidiaries, the financial statements of the organizations are consolidated into those of the EDC. The subsidiaries and their descriptions are listed in table III-3.

Table III-3
EDC Subsidiaries

RIEDC Subsidiaries	Description
Quonset Development Corporation	Real estate development/management company to attract new industries and employers
Rhode Island Airport Corporation	Operates and maintains the state's airport system
Route 195 Redevelopment Commission	Primary goal of achieving economic development in surplus land

SOURCE: RI EDC Materials

The Rhode Island Industrial Facilities Corporation, Small Business Loan Fund Corporation, and Rhode Island Industrial-Recreational Building Authority are financing entities of the Corporation, as is the agency itself. A conduit financing agency facilitates an arrangement for governmental or other qualified entities to issue fixed-income securities supporting large capital

⁵ RIAC may request the State of Rhode Island exercise eminent domain on its behalf pursuant to contractual rights. Quonset Development Corporation bonds are issued by the Department of Administration.

projects. The conduit provides access to bond markets in exchange for the credible issuance of state-supported debt. Often tax exempt, the bonds yield fixed returns and the full principal upon maturity. Table III-4 provides an overview of the conduit financing agencies under the EDC, and a description of their functions.

Partnerships and Affiliates

The EDC works with a wide range of external entities to achieve its goal of promoting economic development. Partners include, but are not limited to: for-profit companies; non-profit organizations; tourism councils; universities; economic development organizations; local, state, and federal government departments and agencies; industry associations; credit unions; public policy councils; commerce departments and chambers; and EDC's own subsidiaries. Of the aforementioned groups, only the EDC's subsidiaries; Statewide Planning; the 12 Rhode Island cities and towns designated as Enterprise Zones; and the Blackstone River Valley National Heritage Corridor are involved with the EDC by law or statute. In total, EDC employees reported working with 160 partners, 16 of which work with five or more EDC departments⁶.

<p>Table III-4 RIEDC Finance Partners</p>	
Program	Description
Small Business Loan Fund Corporation (SBLFC)	Revolving loan fund managed by EDC for businesses unable to attain conventional financing
Rhode Island Industrial Facilities Corporation (RIIFC)	Issues Industrial Revenue Bonds (both taxable and tax-exempt) for manufacturing and commercial endeavors
Rhode Island Industrial-Recreational Building Authority (RIIRBA)	Provides debt insurance on tax-exempt/taxable bonds, mortgages for facilities and equipment
SOURCE: RIEDC Materials	

The range of external partnerships reflects the diversity of missions, some providing financial support while others advocate for a particular industry or population in the business environment. Organizations focus on natural resources, technology, trade, and education, among other goals.⁷ Institutions of higher education (or the programs associated with these institutions) were reported as external partners by all but three of the EDC's departments.

Reporting

Despite frequent interactions with external partners, EDC employees infrequently provided formal reporting or information sharing back with managers or other interested parties at the

⁶ Survey of EDC external partners yielded an 81 percent response rate among employees. EDC departments include: Broadband, Business Development, Communications & Marketing, International Trade, Finance, Office of Regulatory Reform, Procurement Technical Assistance Center (PTAC), Renewable Energy Fund (REF), Research, Technical Manager, Science and Technology Advisory Council (STAC), Tourism, and Small Business Development. (A recent budget change moved the Office of Regulatory Reform out of EDC and into the newly-created Office of Management and Budget, thereby becoming an external partner of EDC. While at EDC, ORR had 24 partners and also worked with all of Rhode Island's colleges and universities, as well as all of the state's cities and towns.)

⁷ A list of the external partners who have a direct financial partnership with EDC can be found in the Appendix

EDC.⁸ Formal reporting did occur with the EDC's subsidiaries, federal delegation district offices (reporting into a database), the departments' own granting agencies, and the I-195 Commission (in which case the Technical Manager reported back to EDC's Deputy Director and Finance Director, when applicable). Another instance of formal reporting occurred when the Communications and Marketing department compiled participant surveys from monthly community forums to gauge top concerns of local business communities and sent them to EDC senior management and the Governor's Office.

Finance

The Finance department reported working with 53 partners. This department refers their clients, Rhode Island businesses, to more than 20 external partners (as well as over 50 banks and lending partners, accountants, business consultants, and attorneys) mainly for technical assistance, business support, and financing. Moreover, the Finance Division coordinates with external partners to facilitate loan applications through EDC subsidiaries and arrange joint funding for EDC projects. Although the Finance Department staff does not attend regularly-scheduled meetings with referral partners, the department meets consistently with Rhode Island Housing, the Massachusetts Housing and Investment Corporation's New Market Tax Credit Advisory Board, and the Governor's Workforce Board.

PTAC

Because PTAC's focus centers on national defense, contract management and small businesses, the department works with a mix of federal, regional, state, and local external partners on behalf of Rhode Island businesses. As the Department of Defense Office of Small Business Programs is the department's sponsoring agency, PTAC is in contact with the Office several times a month. The department also works closely with the Rhode Island Manufacturing Extension Services, the US Small Business Administration, the National Contract Managers Association, and the Department of Defense's Northeast Regional Council for Small Business Training & Advocacy, as well as working with each Chamber of Commerce four to five times per year.

REF

The Renewable Energy Fund works with a number of external partners regarding Rhode Island's energy and resource planning. To this end, REF meets monthly with the State Office of Energy Resources, Statewide Planning and the URI Energy Center with the intention of creating a State Energy Plan. In addition to partners related to land-based renewable energy and energy policy, REF attends meetings with cities and towns when energy-related projects are active. The department is also on the steering committee of the New England Clean Energy Council.

⁸ Some departments, due to the nature of their funding, follow different reporting guidelines. For example, STAC is not funded by EDC appropriations and is not required to directly report back to EDC. STAC does coordinate with the EDC and the Governor's Policy Office on mutual interests. The Executive Director and co-chairs of STAC meet regularly to update on STAC's activities. Twice a year the Executive Director of STAC meets with EDC's Executive Director and the Governor to update them on STAC's progress. Formal reporting is limited to expense authorization to insure compliance with state purchasing and travel policies. The Broadband department and REF are also funded through sources external to EDC and, therefore, have a more complicated relationship with the entity. The Finance department's salaries and pension plan are funded through its subsidiaries.

Broadband

The Broadband Department works with external partners (many are government entities) whose activities include microfinancing; creating alliances to build communications infrastructure to further workforce and economic development; creating technology solutions; and providing emergency management. Examples of external partners include the Public Utilities Commission; Department of Administration, the Department of Information Technology, the Division of Planning, and the Rhode Island Emergency Management Agency. Various projects, including digital literacy, mapping, and the online business incubator, also connect the Broadband Department's work with an array of partners.⁹

Communications and Marketing

The Communications and Marketing department works with 36 external partners on activities such as the coordination of media events and announcements, advertising, speaking engagements, event planning, and coordinating messages. The department is responsible for coordinating familiarization and media tours with regional tourism councils and cities and towns. In addition, they coordinate monthly community business forums where the department distributes and compiles surveys from participants to gauge the current needs of the state's businesses.

The Department reports that they have very few regularly scheduled meetings aside from these monthly forums. Instead, they collaborate informally as needed, or on a project basis. The Department works closely with the Pont Group, the EDC's external public relations agency, to address tourism, social media, and crisis management needs. Communications and Marketing will soon be embarking on a new partnership with the Department of Labor and Training, in which they will participate in joint calls to assess Rhode Island businesses' needs.

Small Business Development

The Small Business Development Department's partners range from locally-based initiatives to programs that link community programs, state government, and private business to provide support, training, and small business funding. Small Business Development Center at Johnson and Wales University is a major technical assistance provider, assessing the needs of small businesses with the Center to Advance Minority Participation in The Construction Industry and the Providence Economic Development Partnership.

The Department is also involved with the EDC's Enterprise Zone (EZ) Council with Statewide Planning. In this capacity, the Department meets monthly with the 12 identified EZ urban cities and towns throughout the state. Department staff is also represented on a number of statewide committees related to small business needs. However, much of the Department's work consists of addressing the needs of individual clients through resources augmented by external partners. Meetings are often determined by active projects that are common to the Department and its external partners.

⁹ A comprehensive list of Broadband's digital literacy partners can be found at <http://literacy.broadband.ri.gov>

STAC

Many of STAC's partners are focused on promoting innovation-based technology ventures, building the knowledge economy, and encouraging entrepreneurial ventures. Many of these collaborations assist in leveraging federal funding for state activities, participating in new ventures, attracting extramural funding for hospitals and institutions of higher education, and supporting emerging technologies and biomedical research. The department is involved with some of its external partners in a funding capacity. Funding from STAC has contributed to strong partnerships with the medical and life sciences sector partners, building the state's capacity for research.

International Trade

The International Trade Department has external partners whose missions include exporting food from the Northeast; helping facilitate state international trade; and promoting collaboration and best practices in the eastern region of the United States to increase exports. These missions drive the goals of the Department in terms of increasing trade, providing technical assistance with exporting, supporting trade missions, and sharing best practice initiatives. International Trade department programs are offered in partnership with the Chafee Center for International Business at Bryant University. The Department also regularly meets with the Eastern Trade Council, Food Export USA, the Small Business Development Center at Johnson and Wales University, State International Development Organizations, the US Department of Commerce, and the US Small Business Administration. Other partners include the federal Department of Commerce and the Governor's Workforce Board.

Tourism

The primary external partners of the Tourism Division are Rhode Island's regional tourism councils (see table III-5). The Division engages in cooperative programming (both nationally and internationally) to maximize marketing opportunities for the state. To this end, the Division partners with entities such as Chambers of Commerce and other New England tourism offices, tourism and marketing

Table III-5
Rhode Island Tourism Entities

Region	Description	Administrator
Rhode Island	Rhode Island Division of Tourism	EDC
South County	Westerly, Charlestown, Narragansett, South Kingstown, North Kingstown, Hopkinton, Exeter, Richmond, West Greenwich, East Greenwich, Coventry	South County Tourism Council
Providence	Providence	Convention Authority of the City of Providence
Northern Rhode Island	Pawtucket, Woonsocket, Lincoln, Central Falls, Cumberland, North Smithfield, Smithfield, Glocester, Burrillville	Blackstone Valley Tourism Council
Aquidneck Island	Newport, Jamestown, Middletown, Portsmouth, Tiverton, Little Compton	Newport County Convention and Visitors Bureau
Warwick	Warwick	Warwick Department of Economic Development
Block Island	New Shoreham	New Shoreham Tourism Council
East Bay	Barrington, Bristol, Warren, East Providence	East Bay Tourism Council

SOURCE: EDC materials

organizations, and the Rhode Island Hospitality Association. The Division also creates partnerships with related private companies serving the industry, like hotels, restaurants, attractions, transportation companies, and advertising agencies.

To supplement the Tourism Division's work, the EDC's communications and tourism divisions have also entered into a contract with an external New York marketing and public relations firm for assistance with printed collateral material, graphic design, and tourism functions such as site selection and indirect advertising efforts.

Business Development

The Business Development Department is a strategic partner for many businesses, providing sources of funding, clarifying regulatory issues, supporting manufacturers, and marketing leads for projects. In some cases, the Business Development Department serves as a "concierge", directing businesses to external resources. The Department works with cities and towns to develop industrial and commercial properties and industrial parks. The wide range of Business Development's partners includes emergency management and homeland/port security; transportation; defense and maritime industries; contract management; tourism; undersea technology; workforce development; environmental management; coordination of defense industry issues; promoting international/maritime trade; and planning for I-195 redevelopment.

Technical Manager

The Technical Manager at EDC takes part in many decisions regarding statewide economic development legislation. As a result, the Technical Manager maintains at least weekly contact with Statewide Planning through several committees. The Technical Manager also sits on multiple committees at the Department of Transportation, with whom he interacts a few times per month. The Technical Manager is currently working at least weekly with both a surplus land project and the I-195 Commission, and has a relationship with a few federal agencies as well, including the Economic Development Administration and the Environmental Protection Agency.

Research

The Research Division's partners are focused on making connections to further economic development through entrepreneurship, social enterprise, and network building. They include Betaspring, Grow Smart Rhode Island, Social Venture Partners, New Commons, Cherrystone Angel Group, and two partners within Rhode Island's university system (University of Rhode Island College of Business Administration and Bryant's Center for Global and Regional Economic Studies).

Other

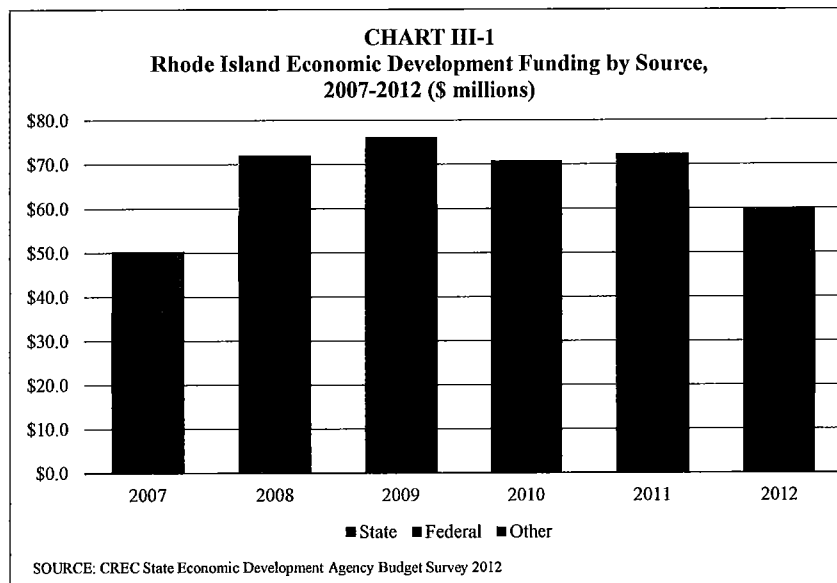
Other EDC programs and initiatives include, but are not limited to: America's Cup; a strategic tourism plan for the state; the development of I-195 relocation land; the redevelopment of excess navy land; the next Defense Base Realignment and Closure Commission (BRAC) round; and the facilitation and planning for federal small business funding. The EDC is also engaged in transitioning the state to a "green economy," through discussions and planning for offshore wind farms with outside agencies.

Economic Development Funding

Economic development activities in the state are supported through various sources, including state, federal and private funds. It is important to note that not all economic development funds flow through the EDC – in some cases, these funds are used to support project-specific operations, and in others they fund entities entirely unrelated to the EDC, such as direct support to the Department of Transportation (DOT). The EDC receives its funding from various sources including, but not limited to: state appropriations; airport impact aid; NSF funding (EPSCoR); and federal stimulus (ARRA) money. Some revenues received by the agency are pass-through, while some operations at the EDC also generate revenues, such as the revolving loan fund. This section provides a broad look at economic funds that flow through the state, regardless of source or destination, as well as specific overview of the agency's finances.

Economic Development Funding

According to the Center for Regional Economic Competitiveness (CREC), funding for economic development peaked in 2009 at roughly \$75 million. Of that amount, approximately 50 percent was in state support, while the remainder was federal (28.5 percent) and other (20.1 percent). Between 2009 and 2012, funding has decreased by 21.6 percent. Notably, state funding has decreased by almost 55 percent over this time frame and funding from other sources decreased almost 40 percent, but federal support for economic development increased by almost 50 percent over 2009 levels.

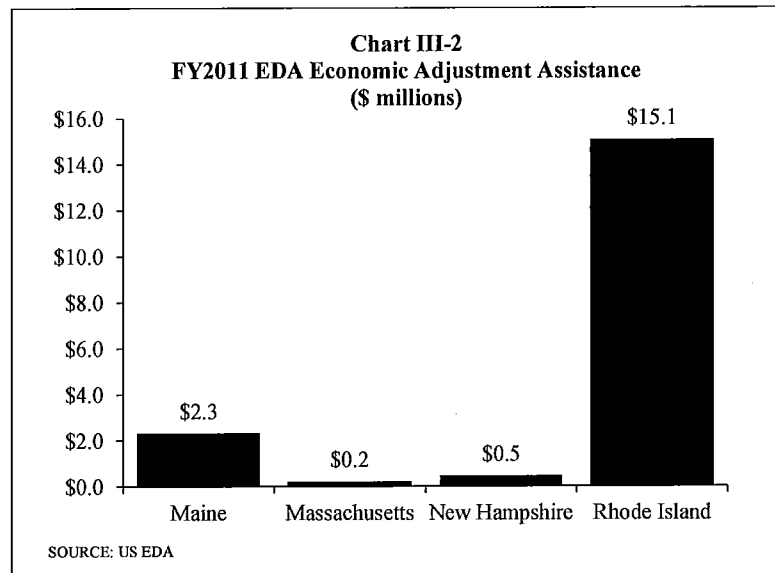


Federal Economic Development Assistance

Though state appropriations to the agency – and economic development in general – have declined over time, the state has been relatively fortunate in terms of the level of federal economic development funding through the Economic Development Administration (EDA) that it has received. The EDA, part of the US Department of Commerce, supports state economic development efforts through project funding. These funds, in part, were the original funding source for the SBLFC. In FY 2011, the EDA allocated funding for 711 projects nationally, with

expenditures of over \$300 million. The funding was distributed among 53 states and territories, including five of the six New England states¹⁰.

Rhode Island claimed the largest portion of EDA aid in FY 2011 among its New England peers, with 10 grants totaling \$18.2 million. This represents a total endowment nearly 40 percent higher than Maine, who received the second-largest allocation of EDA funds in New England. Rhode Island received EDA grants under three categories: Economic Adjustment Assistance, Public Works and Economic Development Assistance and Technical Assistance.



The largest share of funds was for the Economic Adjustment Assistance program, for which the state received \$15.1 million (see chart III-1). This represents over 10 percent of the national total EDA dispersal for Economic Adjustment Assistance and about 85 percent of Rhode Island's total EDA funding for FY 2011. Economic Adjustment Assistance programs target obstacles to economic development, contouring funding to the recipient's needs. Of the 139

projects funded nationally, five Rhode Island towns, a sewage authority, a water district, and the Rhode Island EMA account for the eight Economic Adjustment Assistance recipients funded statewide.

The remainder of the funds was for Public Works and Economic Development Assistance and Technical Assistance. Providence Community Health Centers received \$3.0 million, slightly more than the three other New England recipient states, for public works-related economic development activities. To attract and diversify industry and enhance public works, this program focuses on infrastructure projects in distressed communities transitioning to more robust environments. The \$125,000 Technical Assistance Loan granted to the Rhode Island Department of Administration is intended to develop tools for economic development and analysis. Massachusetts secured the highest New England endowment in this category (\$500,000).

EDC Budget

As shown on chart III-3, the EDC budget ranged between \$4.0 million in FY 2012 and \$6.0 million in FY 2007. Between FY 2007 and FY 2013, state support of EDC operations declined by 32.8 percent. However, the agency's budget slightly increased between fiscal years 2012 and 2013, during which time the agency saw a 2.5 percent increase in state appropriations.

¹⁰ Excluding Vermont

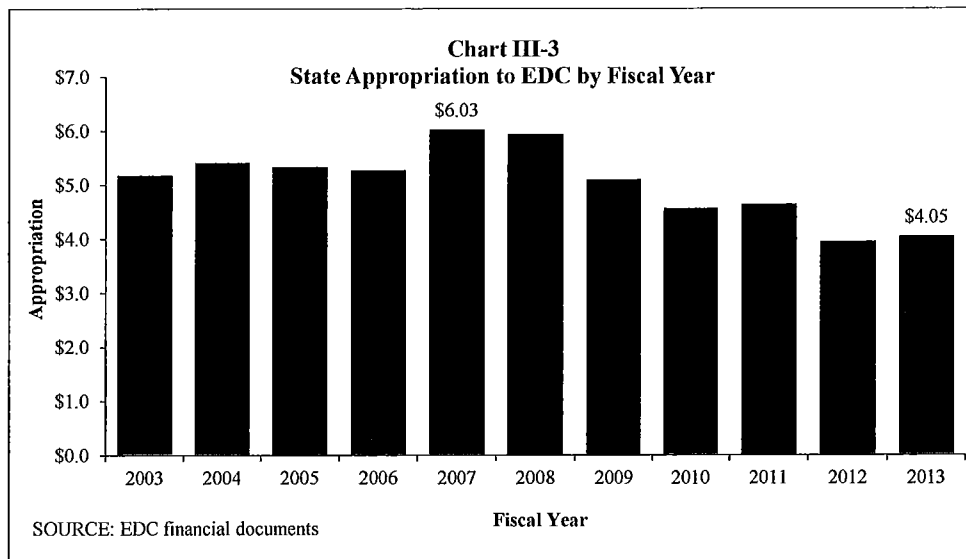


Table III-6 shows state appropriations to the EDC and QDC for FY 2011, the most recent financial statement available as of publication. Outside of the “budget” line, which supports EDC operations, all other appropriations and bond proceeds represent pass-through funds or a repayment of an obligation. All told, \$20.1 million flowed through the EDC in FY 2011. Of this amount, 23.1 (\$4.6 million) percent went to fund operating costs at the agency. The “Public Investment Payment” represents repayment of bonds for Providence Place Mall, and the Job Rent Credits are associated with Fidelity.

As shown on table III-7, between FY 2011 and FY 2013, the agency’s revenues increased from \$12.2 million to \$18.5 million, of by 52.4 percent. However, the majority of this increase was related to revenues from the renewable energy fund, which is a ratepayer-supported revolving loan fund. The agency also received additional funds relating to the ARRA-related state broadband grant and funds from the federal Environmental Protection Agency for a brownsfield program. During this time, state appropriations decreased by 12.8 percent. Job Creation Guaranty and STAC funds also decreased during this time.

As noted above, a large share of the revenues received by the EDC are pass-through funds which do not support operations at the agency, and how these funds flow through the agency can be seen on table III-7. Between FY 2011 and FY 2013, agency spending increased by 51.2 percent. The largest share of the increase during this time was related to the renewable energy fund, which increased by over \$5 million between FY 2011 and FY 2013

Table III-6
FY 2011 State Appropriations and Bond Proceeds

Budget	\$4,648,487
Legislative	852,320
Slater	2,000,000
Public Investment Payment	3,560,000
Job rent credits	2,709,526
RI Airport Impact Aid	1,009,430
STAC	1,500,000
State GO bond proceeds, construction	4,014,444
Total	\$20,294,207
Less: deferred at June 30, 2011	(181,331)
Add: deferred at June 30, 2011	402,092
Total State Appropriations and Bond Proceeds	\$20,112,876

SOURCE: EDC Audit for fiscal year ending June 30, 2011

In FY 2011, roughly half of the agency's expenditures were for personnel and operating expenses, although about 10 percent of these expenditures were funded through other programs. By FY 2013, personnel and operating expenditures accounted for 35.3 percent of total agency spending (8.2 percent of which was supported by other programs), although this is related to an increase in overall spending, rather than a decrease in expenditures. It is notable that, while personnel expenditure funded through the EDC appropriation decreased by 9.2 percent over the three-year period, personnel expenditures funded through other programs increased by 8.4 percent.

Table III-7
Rhode Island Economic Development Corporation Budget

	FY 2011	FY 2012	FY 2013
	Actual	Estimate	Revised
Estimated Opening Balance Revenues:	\$358,720	\$2,065,793	\$1,862,513
Resources:			
State Appropriation	\$4,648,487	\$3,951,214	\$4,051,214
Job Creation Guaranty	932,294	1,125,000	80,000
Research Alliance/STAC	1,720,761	1,500,000	1,267,000
Renewable Energy Fund (Ratepayer funded)	2,114,228	2,400,000	7,700,000
ARRA - State Broadband Grant	695,702	1,184,232	959,137
ARRA - RI Business Energy Assistance (from DOE)	-	3,150,000	100,000
Federal Grant - Procurement Technical Assistance Ctr.	139,606	-	-
Small Business Loan Fund (EDA)	628,406	TBD	TBD
State Small Business Credit Initiative	-	1,400,000	768,000
Brownsfield Program (EPA)	215,933	TBD	700,000
Other Income	224,590	402,500	462,749
Other Program Income	482,094	403,110	584,830
Total Resources	\$12,160,821	\$17,581,849	\$18,535,443
Expenditures:			
Personnel Expenses - EDC Appropriation	\$2,811,076	\$2,922,957	\$2,551,524
Personnel Expenses - Funded by Other Programs	1,072,870	1,121,591	1,472,348
Operating Expenses - EDC Appropriation	2,130,475	1,872,250	2,310,285
Research Alliance/STAC	1,609,078	1,319,231	1,175,000
Renewable Energy Fund	1,982,660	3,650,000	7,185,125
ARRA - State Broadband Grant	520,992	870,807	650,806
ARRA - RI Business Energy Assistance (from DOE)	TBD	1,900,000	100,000
Job Creation Guaranty - Reserves	899,085	662,500	40,000
Job Creation Guaranty Bankruptcy/Legal Proceedings (1)	-	-	1,000,000
Small Business Loan Fund (EDA)	628,406	TBD	TBD
State Small Business Credit Initiative	-	1,400,000	768,000
Brownsfield Program (EPA)	215,933	TBD	700,000
Total Expenditures	\$11,870,575	\$15,719,336	\$17,953,088
Closing Balance	\$290,246	\$1,862,513	\$582,355

(1) Reserves set aside for bankruptcy/legal proceedings related to 38 studios.

SOURCE: EDC documents

IV. Principles: Organizational Theory and Best Practices

Organizations Defined

Organizational theory is a lens through which existing organizations can be examined and best practices and principles can be extracted. It is the result of systematic study of organizations in the private, public, and non-profit sectors and is a useful framework for evaluating the structure and substance of the EDC. The following summary is primarily based on the tenth edition of *Organizational Theory and Design* by Dr. Richard L. Daft and the seventh edition of *Management Theory and Practice* by G. A. Cole

Dr. Daft defines organizations as social entities that:

- Are goal-directed;
- Are designed as deliberately structured and coordinated activity systems;
- And are linked to the external environment.

Organizations contain two types of dimensions: structural and contextual. Structural dimensions are the internal elements or characteristics of the organization. Contextual dimensions involve the entire organization as a whole, including an organization's size, technology levels, strategic vision and relationship with external environments. In other words, the contextual dimensions involve the environment in which the internal, structural components of the organization operate. Comprehensive organizational assessment must consider both of these dimensions, since either of the two dimensions can be modified to compensate for the other.

Organizational Direction, Implementation and Measurement

The process of setting direction starts with an evaluation of internal and external weaknesses and opportunities for improvement. Once outside opportunities are identified, managers should seek areas of internal strength to address the external opportunities. These areas of fit, or competitive advantage, between external opportunities and internal strength, can be divided into specific, concrete operational goals. In addition to overall performance goals, organizations may have implementation goals related to needed material and financial resources, desired market share, etc. These goals should then be translated into an implementation plan.

After an implementation plan for reaching the desired goals is established and executed, organizations must have systems in place for evaluating organizational efficiency and effectiveness. Effectiveness is the extent to which the organizational goals are accomplished. Efficiency is not as broad as effectiveness, as it involves the proportion of inputs to outputs. Though there are traditional measures of effectiveness, evaluating the efficiency of a program or policy is often difficult.

Most traditional effectiveness measures relate to financial outcomes. In other words, how are resource inputs, internal processes, or produce and service outputs affecting the bottom line, such as profit or return on investment? Modernized approaches to effectiveness consider broader indicators such as customer satisfaction, customer loyalty, order rate fulfillment, cost-per-order, continuous product improvement and employee retention.

External Environment and Interorganizational Relationships

Goal setting, implementation and measurement must consider the relationship the organization shares with elements outside of its boundary. External environments can be extensive, which is why it is important for organizations to focus resources and attention on those external groups that can directly impact the organization. At a broader level, external environments can be viewed as “organizational ecosystems,” defined as a community of organizations and their environments, traditionally involving multiple industries.

There are several ways to observe organizations’ interactions with participants in their ecosystem, as shown on Table IV-1. Organizations within the ecosystem can be similar, different, cooperative or competitive. Combinations of these four characteristics explain the four perspectives of ecosystem relationships. First is resource dependency – if one organization is dependent on another for material or financial resources, the former will likely attempt to decrease their vulnerability and generate new revenues or new relationships with other organizations. The second perspective is theoretically opposite to one-sided resource dependency. The collaborative, network perspective is when organizations seek cooperation and interdependence so that all parties realize increased value. Trust is essential in this approach.

Table IV-1
Types of Interorganizational Relationships

Type	Description
<i>Resource Dependency</i>	Organization A is dependent upon organization B for resources so organization A seeks to reduce vulnerability
<i>Interdependent</i>	Organizations A and B seek to increase value through collaboration with each other
<i>Specialized</i>	It does not benefit organization A to be similar to organization B so organization A seeks a niche
<i>Institutionalism</i>	Organization A engages in external processes so that organization B deems A legitimate

SOURCE: Organizational Theory and Design

The third perspective highlights the importance of diversification, selection, and retention. In a competitive environment, it does not benefit an organization to be a generalist. Instead, organizations must find their niche to serve a particular need. The last perspective, referred to as institutionalism, suggests that organizations engage in external processes so that outsiders deem them legitimate.

Interorganizational relationships are driven by the organizations' managers. In order to create the structures necessary to support these relationships, it is important that managers develop clear justifications for interactions with external organizations.

As these four perspectives indicate, the form of relations with external organizational ecosystems varies across managerial types. It is important that the organization establish a clear justification for involvement with external organizations, and communicates the justification, so they can create structures to support external interaction.

Overcoming Chaos

In her book, *The Outstanding Organization*, consultant Karen Martin defines outstanding organizations as those that have "consistently delivered high value, relative to the alternatives, to stakeholders for years, if not decades." These organizations have three main capabilities or strengths: they are good problem solvers, they are constantly improving, and they are durable and resilient when faced with changing conditions.

She suggests that even robustly-organized companies suffer from "organizational chaos." This is a type of chaos that is self-inflicted and ultimately undermines strong organizations. It typically goes unnoticed by managers and is the result of four shortcomings: a lack of clarity, focus, discipline, and engagement.

- Clarity is defined as "information and communication that is relevant, unambiguous and honest." Achieving clarity is the result of communicating diligently and knowing your organization, customer, and performance.
- A lack of focus results in both psychological confusion of organizational participants and inefficient use of organizational resources. Lack of focus is overcome by actively choosing not to do activities; setting priorities based on ease, benefits, urgency and consensus; and maintaining focus over time.
- Discipline refers to both an outcome and the process for achieving an outcome. Practice, problem solving, standardization and process management ameliorate a lack of organizational discipline.
- Lack of engagement is when organizations do not successfully understand and address the connection between their employee's needs as they relate to employee return or performance. Martin suggests there are three drivers of engagement: connection, control, and creativity.

These four factors, build a foundation for an organization to thrive. In particular, Martin's emphasis on clarity and focus, speak to Daft's focus on organizational direction. Similarly, Martin's focus on key performance metrics (measuring quality, work effort, and speed) also complements Daft's focus on measurement. These salient organizational components (organizational direction/focus and measurement/metrics) are also reiterated at an industry-specific unit of analysis.

Economic Development Organizations

Though theoretic academic models provide information on organizations generally, it is also important to consider industry-specific best practices. Moreover, economic development organizations (EDOs) typically work with multiple sectors (private, public and non-profit), making their organizational needs complex and specialized. The International Economic Development Council (IEDC), a non-profit membership organization dedicated to helping economic development professionals globally, recently produced a report on the success factors of high-performing economic development organizations. Their report provides an industry-specific profile of organizational design best practices.

The IEDC defines “high-performing” EDOs as organizations that: fulfill their mission; build relationships and community capacity; are adaptable; are responsive; have integrity; seek new opportunities; and employ their resources to the fullest by setting high goals and accomplishing them. The IEDC emphasized that high-performing EDOs have success factors that are related to organizational design and leadership qualities. However, even though the IEDC was able to define guiding principles for successful EDOs, they acknowledge that defining EDO success through metrics is challenging.

Measuring aspects of success, such as how an organization uses resources, is less challenging than measuring whether EDOs are seizing all available or potential opportunities. However, the IEDC notes that the following criteria may serve as useful metrics when evaluating whether an EDO is high performing: professional leadership and sufficient staffing; adequate budget and resources; external respect for and involvement in EDO activities; and a living strategic plan based on mission and strategy. Further IEDC research, which partially relied on a 2009 survey, suggests that there are eight main success factors of high performing EDOs:

(1) The EDO is customer-driven.

The IEDC suggests that the EDO should first identify the customer and then understand what the customer needs. There should be organizational structures in place, such as feedback loops, so that the EDO continuously understands their needs and can adjust as needed.

(2) Form and operate under a strategic, long-term economic development plan.

An EDO must have a strategic plan that guides its operations toward achieving its mission based on clear and attainable goals. The strategic plan should articulate the organization’s vision for success and use data-driven metrics as a basis for evaluation. The IEDC notes that the most successful EDOs know when to deviate from their long-term plan and that EDO boards should have the flexibility to do this if circumstances change. In other words, the plan must be “living” and adaptable to economic changes.

(3) Measure organizational results and adjust the organization accordingly.

Metrics may vary, but may include factors such as effectiveness, progress, and impact. Further, the results should be communicated to stakeholders.

(4) Act creatively and to take risks.

This requires a balance between leadership that is able to accomplish goals and be accountable, while having the flexibility and support to take risks. There are institutional arrangements that can be made to the EDOs organizational structure that promote risk-taking (such as EDO board approval processes).

(5) Institutionalize strong networks and external alliances.

Reducing overlap within the institution, increasing coordination, and bringing stakeholders together through forums are just a few examples of collaboration strategies that lead to benefits such as diverse outcomes and that incorporate varied expertise while also producing buy-in. Ultimately, the IEDC found that the best EDOs “convene, connect, and collaborate” on regularly scheduled occasions.

(6) High-performing EDOs are well respected and trusted by their environment.

This trust and respect is typically established through consistent service delivery, a customer-centric approach, and a consistent practice of acknowledging external contributions. First and foremost, gaining community trust requires understanding the community’s needs and identifying opportunities. EDO leaders should also create awareness about their own organization and programs.

(7) Funding efficiency.

Effective EDOs assess their existing resources and build off resources in other underused programs or sectors. Some EDOs have successfully diversified funding to decrease their vulnerability to public money, for example, charging small fees for programs to offset costs.

(8) Invest in people.

By recognizing and empowering staff members, designating high levels of responsibility, and offering appropriate compensation (through salary and other flexible perks/incentives), these EDOs nurture potential in their employees.

In addition to the IEDC’s work on successful EDOs, the National Governor’s Center for Best Practices has established three primary strategies that improve EDO effectiveness:

- First, EDOs should implement and maintain involvement with private sector stakeholders through public-private partnerships and development boards.
- Second, EDOs should institutionalize collaboration with external groups through forums such as development boards and regional planning.
- Third, EDOs should utilize metrics to evaluate their policy areas and performance. Some states have even been successful in comparing their metrics and indicators to the entrepreneurial, innovation economy.

Response to Challenges

Factors of a changing economy, such as globalization, budget cuts, and pressure on job creation and economic efficiency resulted in EDO professionals and leaders crafting new economic development business practices. According to the IEDC, the most notable shifts or trends in EDO behavior and practices are:

- Decreased financial resources resulting from fiscal budget crunches;
- Increased accountability required from private investors and state funders;
- Increased consolidation of state EDO functions and increased public-private partnerships;
- Increased need for strategic partnership management;
- Increased need for adaptable, “living,” strategic economic plans; and
- Increased need for collaborative leadership skillsets in EDO leaders.

This section relies on IEDC’s analysis of recent EDO strategies for coping with trends in economic circumstances.

Private Funding

The decrease in financial resources has resulted in EDO funding gaps, causing leaders to diversify and broaden funding sources. New sources of funding for many states include hospitals and law firms, as both entities have a strong interest in the policy changes accompanying economic development. EDO leaders seek new funding sources that have “shared value” with the EDO. This concept implies that community participants or entities need a strong local economy to be successful, so their success is tied to the EDO’s mission. Some EDOs have contracted out fundraising so that a professional fundraising firm is responsible for seeking new private sources for funding.

Increased Accountability

This increased reliance on private funding is accompanied by investors’ demand for performance measurement. In addition to traditional measures of success, such as the number of jobs or companies created by policy changes, some EDOs have developed metrics such as quality of life, business innovation, entrepreneurship, and the climate for attracting venture capital. In some cases, measuring success is almost as important as sharing this type of data with investors. Some states update private investors on a regular basis through electronic reports.

Tactical Reorganization

Also as a result of economic challenges, many EDOs, particularly at the local or regional level, have condensed their public-sector divisions and have expanded their private sector partnerships. The increased use in public-private partnerships has required EDOs to focus on and attribute resources to relationship management. Universities have been particularly helpful to EDOs in initiating and managing economic development relationships.

Planning and Leadership

As a result of quickly changing economic conditions, several EDOs have relied on broader economic plans. In particular, these broad plans often focus on “quality of life” issues such as improving education or slowing the obesity rate. These broader planning strategies can be supplemented by more specific goals or they can remain general. Regardless of specificity, the idea is that some economic plan is better than no plan.

Changing economic demands have also required EDO leaders to be more business-savvy than in previous years. For instance, the increased reliance on public-private partnerships requires not just an understanding of business and finance, but also talent in facilitating and maintaining relationships.

Principles

The essence of the eight IEDC success factors and the NGA best practices overlap with the basic organizational theory principles outlined in Daft, Cole and Martin. As defined by Daft, an organization is goal directed, deliberately structured, and linked to its external environment. The direction, structure, and environment of organizations, combined with traditional RIPEC principles, provide a lens through which RIPEC examined Rhode Island's governmental response to economic development, provided a rationale for change, and recommended reform.

Table IV-2
Categories of Organizational Principles

Direction	Structure	Environment	RIPEC Principles
Is clearly and intentionally directed;	Implements modernized metrics;	Has a focused, management-driven plan for external alliances;	Form follows function;
Is goal-driven;	Has a creative, flexible, risk-taking structure;	Is well respected by external environment;	Uses a systems-thinking approach;
Requires long-term, flexible planning;	Is adjustable in light of new information;	Relies on public-private partnerships;	Focuses on simplicity and efficiency;
Is customer driven	Is customer driven;	Institutionalizes collaboration	Clearly and directly communicates with stakeholders;
	Is efficient with funding;		Improves perceptions about economy;
	Invests in people		Increases accountability

SOURCE: Organizational Theory and Design; Management Theory and Practice; The Outstanding Organization; the National Governors' Association; the International Economic Development Council

V. Rationale for Change

Rhode Island has a unique opportunity. Though state economic indicators and low business climate rankings paint a bleak picture of the economic conditions, recent attention on economic development has presented a groundswell of support for economic development reform. The state has an opportunity to refashion the way economic development activities are performed. The time is now ripe for change and change should address the current organization's inherent weaknesses and strengths and best practices.

Rhode Island cannot just stop and restart the current system. Systematic changes are required to meet the large economic challenges facing Rhode Island. For instance, it is imperative that a strategic economic vision and plan is adopted. Without such changes, Rhode Island will not be able to effectively address the fundamental weaknesses of our current system and will not see substantial or sustainable growth.

Process

Over the course of the past three and a half months, RIPEC's research process included the study of industry best practices and comparative structures in other states; academic organizational and management theories; and a survey of local conditions in Rhode Island, which included 75 interviews with more than 100 individuals in the public and private sectors.

National Research Groups

As part of the process, a comparative analysis was conducted, which included discussing national economic development trends with the National Governors' Association (NGA) Center for Best Practices. The NGA noted that most states face three prominent economic development challenges: the rise of global competition; state economic development agency structural inefficiencies; and state fiscal shortages. In particular, the NGA suggests that there are three common types of structural inefficiencies including a cumbersome economic development agency design, a shortage of professional staff with substantial private sector experience or knowledge, and a lack of metrics for program impact evaluation.

Interviews were also conducted with representatives from a national research group called the Center for Regional Economic Competitiveness (CREC). The CREC is an independent, non-profit organization that provides economic information to policymakers and economic development organization clients. The CREC assists clients with analyzing economic clusters, economic planning, economic development leadership training, and professional network management. In addition to pointing RIPEC in the direction of states that have been successful with various aspects of economic development, CREC emphasized two main points: agency organization is far less important than good, professional economic development leadership; and that economic development agency reforms are long-term and will require patience.

State-specific Research

RIPEC researched the state-led development structures and budgets of all 50 states. Based on the recommendations of the NGA, we spoke with the director of six states' economic development organizations (see Appendix for brief descriptions). As table V-1 indicates, we focused our

research on the economic development structure of five other New England states. This table is not comprehensive of all economic development-related structures in New England states, rather, it summarizes the state response to economic development through economic development organizations. Unlike Rhode Island, each New England state has a government agency or department (not a quasi-public agency) devoted to economic development.

Table V-1
New England Economic Development Organizations

State	Office	Structure	Administration	Description
Connecticut	Connecticut Department of Economic and Community Development	State Government	Commissioner, appointed by governor	CT's lead agency for the development and implementation of policies, strategies and programs all of which are designed to enhance Connecticut's communities and business and housing environments
Maine	Maine Department of Economic and Community Development	State Government	Commissioner, appointed by governor	ME's umbrella organization for business development, community development, tourism & film, innovation, and international trade. Established to encourage economic and community planning and development policies and programs of the State and to coordinate these programs and policies within the context of a state economic development strategy
Massachusetts	Executive Office of Housing and Economic Development	State Government	Secretary of Housing and Economic Development, Cabinet position	MA's chief economic development office is overseen by the Secretary of Housing and Economic Development. The Secretary also oversees the Economic Development Planning Council, which prepares the state's long-term economic development strategic plan
New Hampshire	New Hampshire Department of Resources and Economic Development- Division of Economic Development	State Government	Currently an interim director	The Division of Economic Development is comprised of two working offices, the Office of New Hampshire Business Resource Center and the Office of International Commerce. The mission of the Office of Business and Industrial Development is to expand opportunities in New Hampshire through the attraction of new businesses and the expansion of existing businesses. The Office Of International Commerce seeks to promote New Hampshire products and businesses to overseas markets
Vermont	Department of Economic Housing and Community Development	State Government	Commissioner, appointed by governor	Staff provides technical and financial assistance to businesses. The agency also has a housing program that focuses on developing housing policy. It is also the state's central office for local and regional land use. An arm of the Department, the VT Economic Progress Council, provides economic incentives for business recruitment and growth

SOURCE: Individual state websites; Northeastern Economic Development Association

Massachusetts

RIPEC spoke with Massachusetts' Secretary of Housing and Economic Development out of the Massachusetts Executive Office of Housing and Economic Development (EOHD). The

EOHED is one of seven secretariats that make up the Governor's Cabinet. It includes the Office of the Secretary; Department of Business Development; Department of Housing and Community Development; Consumer Affairs and Business Regulation; Division of Banks; Division of Insurance; Division of Professional Licensure; Division of Standards; Department of Telecommunications and Cable; and Massachusetts Marketing Partnership.

Legislation in 2010 created an economic development planning council, to be convened during the first year of each new gubernatorial administration. This legislation also stated that the secretary of EOHED should create, with the assistance of the planning council, a written, comprehensive economic development policy and strategic plan. Once the policy and plan is adopted by the secretary and planning council, the Joint Committee on Economic Development in the Massachusetts Legislature shall conduct a public hearing on the policy and plan prior to gubernatorial approval.

The Patrick Administration pursued these directives and, in December 2011, published "Choosing to Compete in the 21st Century," as the economic development strategic plan for Massachusetts. The Economic Development Planning Council contained 34 public and private members who developed a plan with 55 action steps. To assist with task implementation, the Council has assigned each of the 55 action steps to 18 different Council members who serve as "owners" and who are responsible for following-up on task completion. Except for positions explicitly stated in legislation, the Governor appoints most members of the Planning Council.

In addition to the activities of EOHED and the Planning Council, Massachusetts has several quasi-public and private agencies that also work on economic development issues. For example, the Massachusetts Development Finance Authority is a quasi-public agency that is a lender and developer to the public and private sector. It is chaired by the Secretary of the EOHED. In 2010 the Massachusetts Legislature combined a former finance authority, the Health and Educational Facilities Authority, with Mass Development to form one finance authority. Massachusetts has several other quasi-public financing and economic development agencies (See Appendix).

Massachusetts also has public-private partnerships that work on economic development activities. For example, MassEcon offers site finder, research and information, ambassador/advisory, and programming and education services to businesses interested in locating to Massachusetts.

Connecticut

Connecticut's main economic development organization is the Connecticut Department of Economic and Community Development (DECD). Its mission is to develop and implement strategies to increase Connecticut's economic competitiveness by focusing on economic, community and housing development. In FY 2010-2011 DECD had an overall budget of \$14.7 million and it employed 116 persons. The agency has administrative offices such as the Office of the Commissioner and the Office of Financial Review, as well as "line offices," such as the Office of Strategy and Policy; the Office of Housing Development and Finance; the Office of Business and Industry Development; the Office of Municipal Development; and the Office of Responsible Development. In addition to multiple types of economic and fiscal analysis, the department's annual report includes an overview of the agency and its budget, an in-depth

overview of Connecticut's economy, a business competitiveness analysis, and a discussion of the agency's strategic direction, objectives and measures.

Connecticut also has quasi-public agencies working on economic development such as Connecticut Innovations (CI), the Connecticut Development Authority, and the Connecticut Housing Finance Authority. For example, Connecticut Innovations focuses on developing and implementing technology-based strategies by providing direct investments, guidance and networking to entrepreneurs; encouraging university/industry collaboration; and fostering governmental, business, academic and non-profit collaboration. It is governed by a board of directors which appoints the executive director. The commissioner of DECD and other agency leaders are on the CI board of directors.

Connecticut also has a prominent public-private partnership with the Connecticut Economic Resource Center (CERC), which provides research, marketing and economic development services. For example, CERC's research function provides a data-finder and dashboard for interactive, up-to-date information about Connecticut's economy and businesses. The Center's marketing function executes statewide marketing campaigns, conducts market research, and defines and reaches target audiences. Lastly, its economic development function includes a program finder (economic development incentives and assistance programs) and a site finder.

Comparative Research: Metrics

Our comparative research also emphasized the importance of a metrics-based approach to economic development organizations. For example, states like Michigan and Utah outline their performance metrics in their annual economic development organization report. As table V-2 indicates, for each state economic development strategic initiative (entrepreneurship, business growth, access to capital, vibrant communities, talent, image, seamless delivery), Michigan lists measureable outcomes used to track performance on initiatives.

Table V-2
Example of Economic Development Organization Performance Metrics (Michigan)

Strategic Initiative	Measured Outcomes
Entrepreneurship	High-tech business starts; Venture-backed companies
Business Growth	Jobs committed; wages committed (\$/hr); private investment leveraged (\$); SME export value (\$)
Access to Capital	Deployed capital (\$); Capital leverage ratio
Vibrant Communities	Downtown redevelopment projects; downtown private investment leveraged (\$); rural private investment leveraged (\$); attendance supported by MCACA grants (attendees/\$)
Talent	Retained college graduates; employment matches (%)
Image	Business climate perception; Visitor spending (\$); Travel advertising ROI (\$)
Seamless Delivery	Cross-departmental platforms and processes implemented

SOURCE: Michigan Economic Development Corporation

Local Research

In addition to meetings with the Governor and his staff, RIPEC interviewed current and former employees and board members of the RIEDC and related agencies, state legislators, company executives, small business owners, chambers of commerce, academic leaders, non-profit leaders, executive directors of major national think tanks and other state economic development executive directors. RIPEC also participated in forums such as The Rhode Island Foundation's

“Make It Happen RI” conference, during which over 300 stakeholders discussed Rhode Island’s response to its economy.

Through these various conversations, we compiled a database of information and documents about Rhode Island’s economy and response to economic development. We applied a systems approach to our analysis by examining both the structure of EDC and the current environment surrounding the state’s economic development activities. Simultaneously, we compared our findings to regional and national examples of successful economic development systems.

Findings

As a result of this process, RIPEC developed the following set of findings summarizing the areas for improvement in the state’s current economic development system. This includes specific changes needed at the EDC, as well as broad, systemic changes needed at the highest levels of governance. Ultimately, we found that the current system includes a number of weaknesses that inhibit the state from reaching its full potential with regard to the promotion of the state and the development of its economy. Clearly, there is both a desire and need to reform the system.

The following findings relate to the state government’s role in economic development and primarily concern the ways in which the government allocates authority, responsibility, and resources to economic development – broadly and at an agency-specific level. Our findings do not give comparable weight to the role of the private sector in addressing economic development, nor do they look at the detail of individual programs or individual resources. Specifically, the analysis examines the way in which Rhode Island’s economic development policy acts as a whole, not necessarily how well the individual parts function.

Furthermore, while our findings promote a level of operational suggestions and change, we acknowledge that certain changes will be best made by the new incoming economic development leader for the state. This individual will be best positioned to organize individual employees and resources according to our broader suggestions and their own professional judgment. Lastly, it is important to note that our process intentionally chose not to create or provide an economic plan or vision for Rhode Island. Though our research suggests that there is a pressing need for a broad-based, economic vision and plan for the state, RIPEC believes that such a plan should be prepared through a consensus-based, transparent process and has suggested an approach to accomplish this task.

Broad Findings

We have identified a set of broad findings that need to be addressed when reviewing any new organizational structure. The findings indicate that:

- The state lacks a systematic, regular, data-driven approach for evaluating our economy’s past and present, which prevents the state from developing a common vision of its economy going forward. Though there are tools and data available, various types of resource gaps and inefficiencies prevent systematic economic analysis from driving policy decisions. The result has been a lack of focus on the mission of Rhode Island’s economic development policy.

- While there are various economic development plans throughout the state and state government, they are not coordinated with a broader, consensus-based approach to economic development. Our current state operations are not regularly aligned across functions and agencies and there appears to be little consensus about the types of policies and initiatives that should be implemented, or how to implement them.
- The end result of misalignment is duplication of effort and missed opportunities, making it functionally difficult to be efficient. For example, Rhode Island is missing an opportunity to conduct the type of industry-specific economic analysis that its neighboring states conduct as part of its economic development policy process. The EDC and other agencies within state government, such as the Department of Administration, have modeling programs that would allow for this analysis; however, there is no one strategically pursuing and sharing this type of analysis at the EDC.

In sum, the current economic development system is without an overarching strategic plan aligned with implementation strategies that are consistent throughout the state government. The current structure does not have a systematic method to provide for coordination of plans and policy nor activity within state government. Nowhere in the hierarchy of state government is there a clear responsibility for economic development, or for which entity should spearhead the coordination of effort. Without a master policy statement of the state's effort to promote the development of the state's economy it is difficult for state agencies or quasi-public corporations to align their plans, policies and comparative advantages. Furthermore, without an overall direction of where the state wants to go, it is difficult for any organization, including businesses, to determine how it fits within the strategy of the state.

The state needs to develop a strategic vision for economic development. This vision, or strategic plan, should be used to direct the state's activities and resources, and to coordinate individual agency plans with an overarching direction and vision for the state. Once such a plan is established, implementation steps should be developed to support the plan. This will serve as a framework for the coordination of state activities to ensure alignment.

EDC-Specific Findings

Special attention was paid to the current structure and activities of RIEDC and it was determined from this examination and reviews that:

- The negative public perceptions of EDC stand as obstacles to future agency activities or initiatives. Overcoming these perceptions is possible, but will require changes to the ways in which the state's economic development function interfaces with the rest of the state. This will require not only changes in brand reputation, but also systematic changes to the way in which the state provides business-related customer service or support.
- Individuals outside of the EDC are often unclear or mistaken about the agency's functions, and individuals inside the EDC are often unfamiliar with other internal EDC programs. The agency does not communicate its functions, programs, and resources to external audiences well. Internally, there is not sufficient communication about program offerings or external interaction.
- Responsibility is not clearly delineated, outcomes are not regularly established, and existing metrics or data sources are not analyzed or utilized to further agency success. Since there is a lack of vision or planning, there is confusion about the role that

individual employees have in the larger state economic development efforts. More specifically, programmatic goals are not translated into clear outcomes often enough. Most importantly, when outcomes are clearly delineated, there is not a systematic collection of data and analysis to evaluate performance and adjust behavior.

- There is an opportunity to redesign the agency's form so that it more effectively and consistently operates within and across functions and is more dedicated to customer activity and needs. Internal agency resource allocation does not currently reflect the agency's functional priorities, hampering its ability to assist Rhode Island's businesses (though the revised July 2012 reorganization moves the organization closer to this goal).
- Without streamlining and realignment, EDC programs are challenged by decreasing or under-funding, understaffing, and insufficient technology. Effective expansion of services will require improved, enhanced marketing and more effective information dissemination.
- Reversing the state's consistently low ranking in business climate reviews should occupy a more prominent position on the state's economic development agenda than it currently does. This could change the emphasis of economic development policy—from offering deal-by-deal tradeoffs to systematically shifting the business and tax climate.

Brand reputation for EDC has been severely damaged and the agency has lost a great deal of credibility as a result of recent, high-profile events. However, the negative perceptions of the agency reach beyond the past few months: there has been a steady erosion of the agency's brand and reputation over time. For instance, there is a perception that the agency is not there to help Rhode Islanders and, because of this, there is reluctance to work with the agency. The role of EDC needs to be refocused and well communicated, internally in state government and externally to the public.

The agency also lacks a performance metrics-based approach, in which outcomes are established and evaluated by targeted, modernized metrics. Though there are some structures in place to collect data on performance (specifically the customer relations management system at the agency), they are not widely used or incorporated into the agency's regular proceedings. Results of a metrics-based analysis could help inform better alignment of functions, as well as agency areas of strengths and weaknesses.

The justification for change should be based upon this analysis of existing strengths and challenges of the current organization. Secondly, any recommended change should be based upon a set of broad organizational principles to which a desired structure can be constructed and this new organization will be able to meet the current needs of the state. The restructuring of the state's response to economic development should be based upon best practices, comparative organizational framework and a comprehensive response to the set of findings that illustrate the current inherent weaknesses of the existing structure.

VI. Options

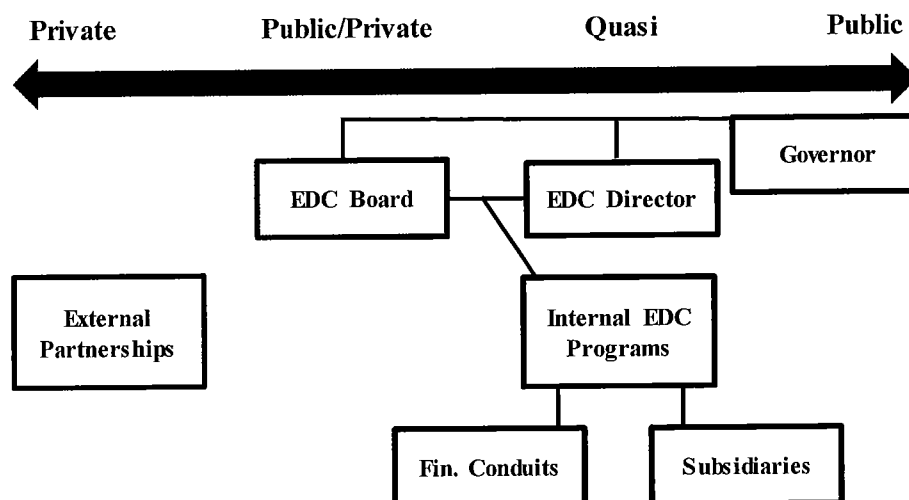
In terms of the agency's placement relative to government, there are an infinite number of options to consider. This spectrum ranges from purely a private-sector entity to an entity wholly contained within the public sector (within state government). RIPEC has identified four broad categories of locations along the continuum of governance: private sector; public-private partnership; quasi-public organization; governmental. There are myriad options or combinations along these categories and the following options are not comprehensive or exclusive. Rather, these four options reflect the result of RIPEC's comparative analysis. For example, we did not find one state that had a purely private sector-approach and, therefore, did not present a purely private sector-approach as an option.

Furthermore, it is important to note that the following options only consider the spectrum of governance, responsibility and accountability for the agency—not the detailed operations of agency functions. For instance, even if changes are made to the existing EDC structure that would move it closer to government, that does not mean that individual components of the EDC (for instance, financing programs) could not be moved away from government and towards the private sector.

Option 1: Status Quo

The current structure, as shown in figure VI-1 provides for a quasi-public agency, with an executive director appointed by the Governor and subject to advice and consent of the Senate. The Governor also appoints the agency's board of directors. The current structure has no public employees, collective bargaining agreements, or other human capital restrictions.

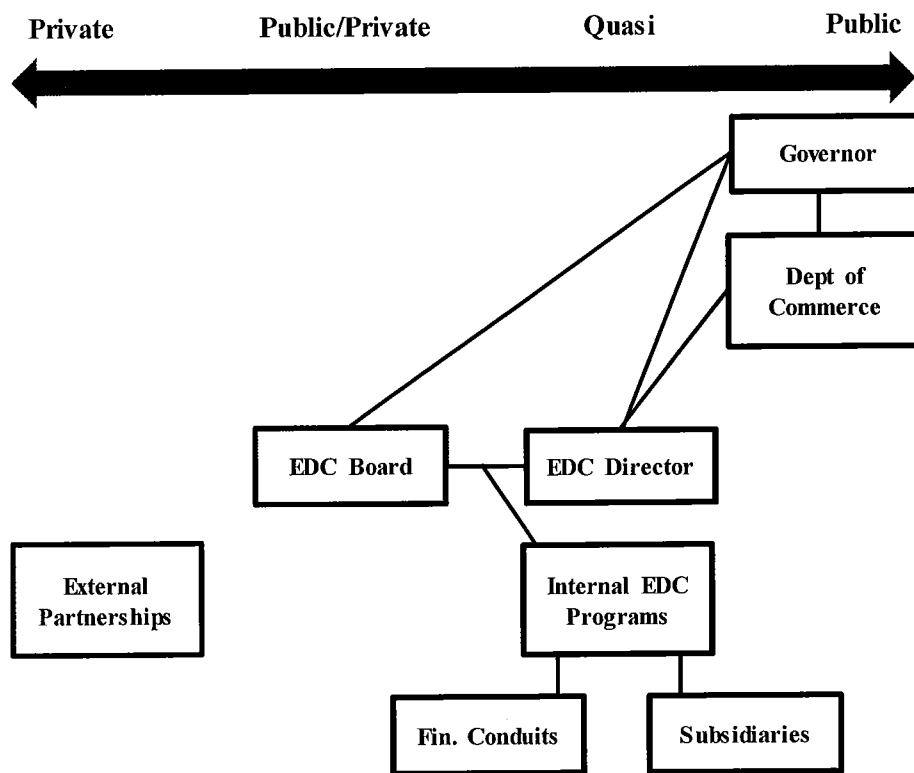
Figure VI-1



Option Two: Director of Commerce

Option two, outlined in figure VI-2 involves the Governor appointing a Director of Commerce to oversee the economic development functions of the state through a Department of Commerce, which would be a newly created state agency. This option would essentially bring the EDC's internal functions under state government control. In this option, the EDC could either maintain or dissolve the existing quasi-public agency—the emphasis is on the creation of a new agency within state government that would take over some or all of the existing quasi-public's functions.

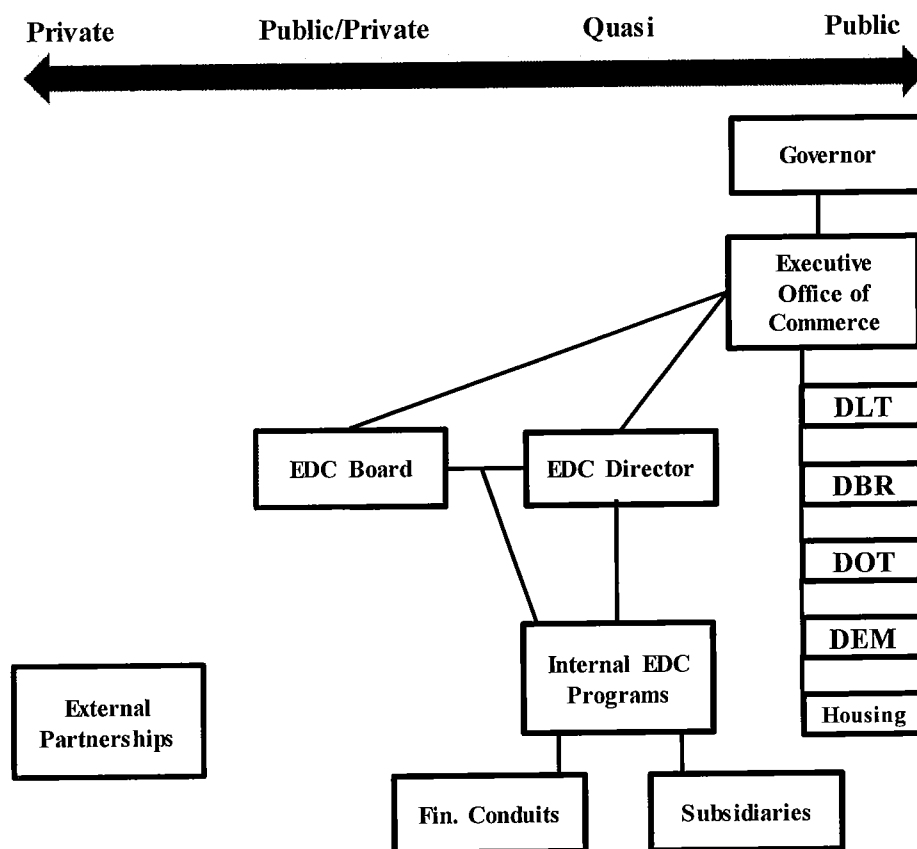
Figure VI-2



Option Three: Secretariat

Option three, shown in figure VI-3 would move some or all EDC functions under state government. It differs from the Department of Commerce (option two), since it would create a secretariat of different agencies instead of a singular agency. The secretariat could include other state agencies that are related to economic development such as the Department of Business Regulations, Department of Labor and Training, Department of Transportation, etc.

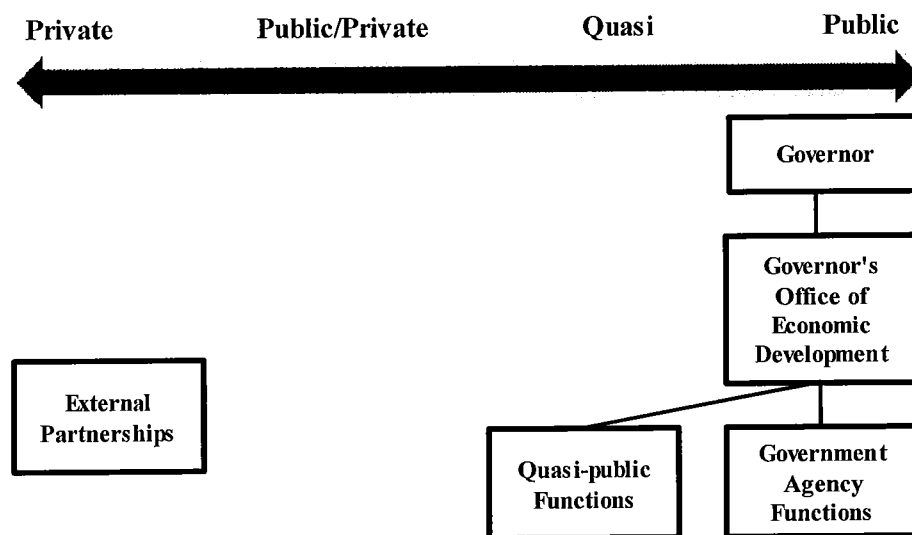
Figure VI-3



Option Four: Governor's Office of Economic Development

Option four would put the EDC director in the Governor's Office without necessarily creating a new state agency. Versions of this option could include either moving the EDC internal functions into state government or maintaining their quasi-public status.

Figure VI-4



The trend with options two through four is the creation of an entity further within state government that would be responsible for economic development. As indicated by our comparative research, every New England state other than Rhode Island has a state government function in addition to their quasi-public economic development agencies. There are some cases in which states outside of New England rely on a purely quasi-public EDO, but those cases appeared to be the minority (see Appendix for a detailed list).

VII. Recommendations

The combined effects of the new economy and the Great Recession will have a lasting impact on the economic makeup of the country in general, and Rhode Island in particular. States must critically rethink their economic development strategy, particularly the government's role in economic development. As indicated earlier, a number of states have recently started to reorganize their economic development agencies in order to grow their economies and maximize their public investments.

In restructuring the state's approach to economic development, the particular set of circumstances in which a state's economy operates requires a tailored approach that considers a broad range of factors. How and why states develop a particular approach to economic development is thus guided by a number of variables: organizational best practices, what peer states are doing, and a consideration of their own unique set of circumstances. Insofar as state policy intersects with economic development, there is a need to critically examine all of these factors in order to create the most effective structure and process for government's role in its economy.

The following section contains a number of recommendations with regard to the restructuring of the EDC and its functions. The recommendations are divided into three main sections:

- External restructuring: Reorganization outside of the EDC, designed to facilitate and coordinate broader economic development activities across a number of entities, as well as to encourage a more effective use of resources;
- Internal reorganization: Modifications to the current structure and focus of the EDC, in order to create a more responsive, focused and effective organization; and
- Additional activities: Wrap-around activities that will enhance both internal and external economic development activities by providing focus and direction, in order to better position the state and agency as they develop and implement economic development policy.

These recommendations grew out of interviews conducted by RIPEC, as well as through analysis of organizational management and best practices. They reflect both best practices and our specific findings, and are intended to achieve the following goals:

- Improve the perceptions of the state's economy, in general, and the EDC, specifically, in Rhode Island, both in and out of the state;
- Increase accountability by clearly: defining where responsibility and authority rest; communicating the agency's functions and expectations, both internally and externally; delineating a chain of command; establishing goals and a roadmap to reach those goals; and creating a system by which success can be evaluated; and
- Provide services more effectively by shifting to a more customer-centric approach that is responsive, flexible and efficient.

External Restructuring

The restructuring of the existing governmental framework around the EDC is intended to facilitate and coordinate broader economic development activities across a number of entities involved in economic development across the state. The establishment of the economic development function within state government in the Executive Branch will elevate the importance of economic development and commerce in the state and move economic development from being a practice that is effectively, and legally, separate and apart from the state. Further, this structure will, ideally, encourage a more effective use of resources, by reducing duplication of effort and ensuring policies or agencies are not working at cross purposes and allow for stronger policy evaluation and analysis.

Executive Office of Commerce

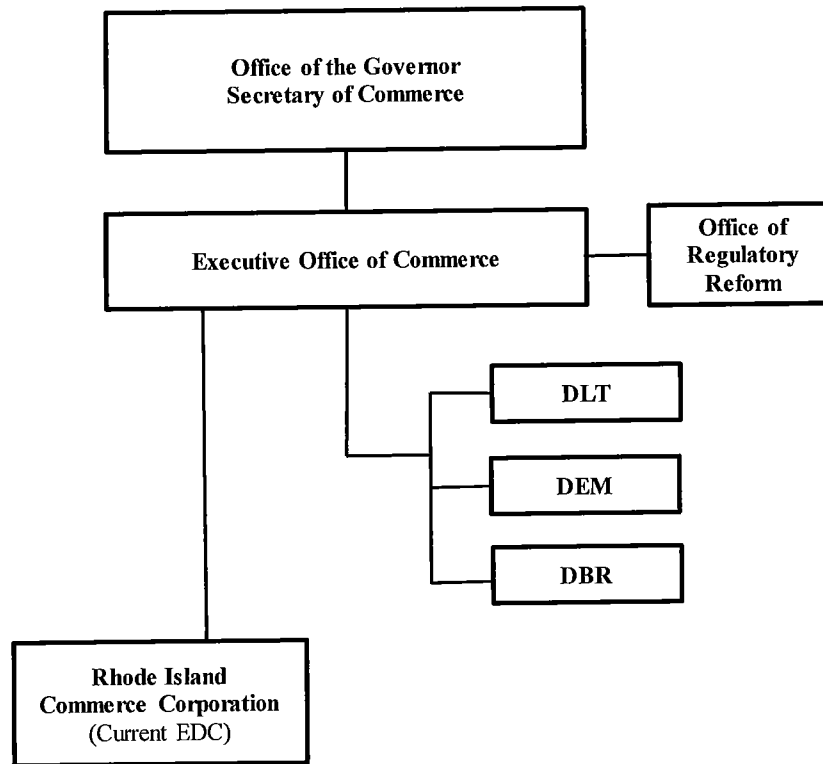
An Executive Office of Commerce should be created within the executive branch of state government (see figure VII-1). This office would consist of the Department of Environmental Management (DEM), Department of Labor and Training (DLT) and the Department of Business Regulation (DBR). Similar to Rhode Island's Executive Office of Health and Human Services, the three offices would be combined to form one comprehensive secretariat headed by the Secretary of Commerce. In addition to heading the Executive Office of Commerce, the Secretary would be a member of the Governor's staff. The DEM, DLT, and DBR would report to the Office of the Governor through the Secretary, who would coordinate all activities through the new secretariat. The three directors of DEM, DLT and DBR would be appointed by the Governor and subject to Senate confirmation as per current statute and would be subject to their current statutory authority and responsibilities.

This arrangement will align those functions dealing with commerce and economic development in one secretariat in recognition of the importance of commerce-related activities. This arrangement will also allow for consolidation of functions such as financial management, human resources, information technology and other backroom services for the three agencies (DLT, DEM, and DBR) and the Executive Office of Commerce. Once a Secretary of Commerce is appointed, he or she will be best suited to decide which administrative or operational functions should be put into the Executive Office from the redesigned EDC, as well as which functions should be performed by the shared services of the three existing agencies under the secretariat.

In addition, it is RIPEC's recommendation that the Office of Regulatory Reform functions be wholly moved from the Office of Management and Budget (OMB) into the Executive Office of Commerce. This will best enable the state's review of its regulatory processes as the Secretary would be best-positioned to work with the three state departments under its purview, as well as to enact regulatory reforms, such as streamlining the regulatory process.

The communications function for the redesigned EDC should also be moved into the Office of Commerce. This change would allow for consistent, coordinated messaging around economic development activities. Moving the communications function into the Office of Commerce would also eliminate potential duplication of function across the agencies and allow for stronger messaging around economic development, agency efforts, and successes.

Figure VII-1

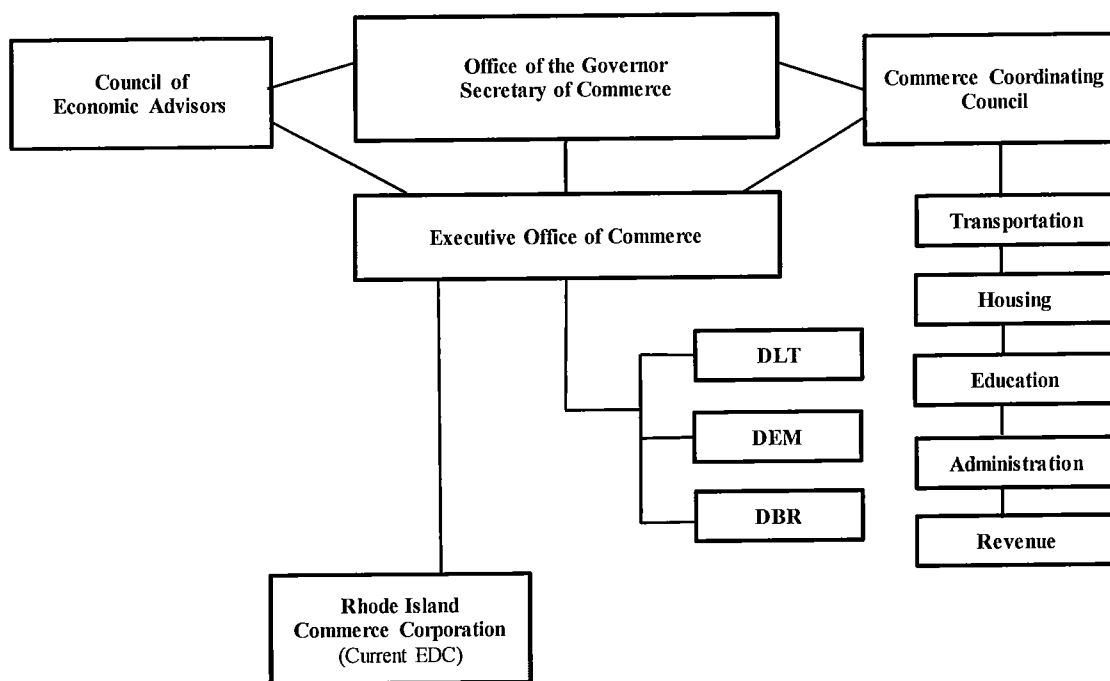


One issue to be considered is the flow of funding to the reorganized EDC: specifically, should the agency be funded through direct appropriation, or should funding flow through the Office of Commerce? There are potential pros and cons to each approach, and they should be systematically evaluated. This decision, along with the scope of administrative and backroom functions that should be moved from the new EDC into the secretariat, should be made and included in either the FY 2013 supplemental budget or the FY 2014 budget, submitted in January.

Policy Analysis and Research

Two areas in which the state's economic development efforts should be strengthened are policy analysis and research. While the Economic Policy Council formerly was charged with analyzing policy, and measuring the economic impact of the state's development activities, the Council was dissolved in 2009, and its board merged with the EDC. Although the EDC was to create an office of economic analysis, this was never accomplished. Currently, the Office of Revenue Analysis is charged with conducting some of these activities, but it is limited in staff and charge. Further, the state does not have a central clearinghouse of data on the economy, a shortcoming that was acknowledged during the recent "Make It Happen RI" forum hosted by The Rhode Island Foundation.

Figure VII-2



As a part of this effort, there should be a common set of metrics by which the state's economic development activities are evaluated, providing both a baseline and a guide to the state as it works to create a comprehensive economic development plan. Though the state has started to develop metrics for the performance of state government, this effort should be expanded to analyze the state's economy in general, and economic development efforts, in particular.

In order to enhance the state's economic development policy capacity, RIPEC recommends creating a Council of Economic Advisors to assemble and analyze data (see figure VII-2). The organization would serve as a coordination point for agencies involved in economic analysis, as well as a repository of economic data. As its primary function, the Council would provide economic analysis and develop policy for the Governor, and state policymakers, on various issues such as the cost and benefits of tax expenditures, strengths and weaknesses of the Rhode Island economy, and areas or industries in which the state should focus development efforts.

The Council would be composed of nine members, four of which would be from state agencies and include: the Secretary of Commerce, the Director of the Office of Management and Budget, the Director of the Office of Revenue Analysis, and the Director of Labor Management Information Systems (DLT). The remaining five members would be appointed by the Governor based on their specific economic expertise.

Because of the composition of the group, the Council would be uniquely positioned to pull data from various related agencies, such as DLT, Statewide Planning, and the reformed EDC. They will then be able to use this information to examine the state's current economic position and establish coordinated economic development policy. Through this work, the Council will also be

able to assist in the creation of a standardized and agreed-upon set of metrics by which they – and other policymakers – may evaluate and modify economic development activities.

Coordination of State Systems

There is also a need to identify economic development as a function across all government agencies, thereby enhancing coordination among these agencies (e.g., transportation, housing, education, etc.). As such, RIPEC recommends the Governor create, by executive order, a Commerce Coordinating Council, consisting of state agencies or departments related to economic development. Figure VII-2 includes some agencies that should be a part of this effort, however, this is not an exhaustive list and it should be up to the Governor, Secretary and Legislature to finalize the list of participants. The Secretary of Commerce would chair the Council and representatives of the various state departments would work with the Executive Office of Commerce, Statewide Planning and the Governor's office to coordinate, integrate and focus the state's economic development efforts across agencies. This effort should also include such quasi-state agencies like the Rhode Island Housing and the Rhode Island Student Loan Authority.

Internal Reorganization

Modifications to the current structure and focus of the EDC should facilitate the creation of a more responsive, focused and effective organization. The organization's "brand" has suffered in recent months; however, our analysis found that there were also broader, systemic issues with the EDC that related to how the Corporation was organized and focused. It is RIPEC's view that the following organization will reorient the agency towards a customer-centric outlook that is more focused on core functions. In addition, RIPEC suggests a variety of recommendations related to the internal operations of the reorganized agency for improving the quasi-public agency's accountability and transparency, and for emphasizing its customer-oriented purpose.

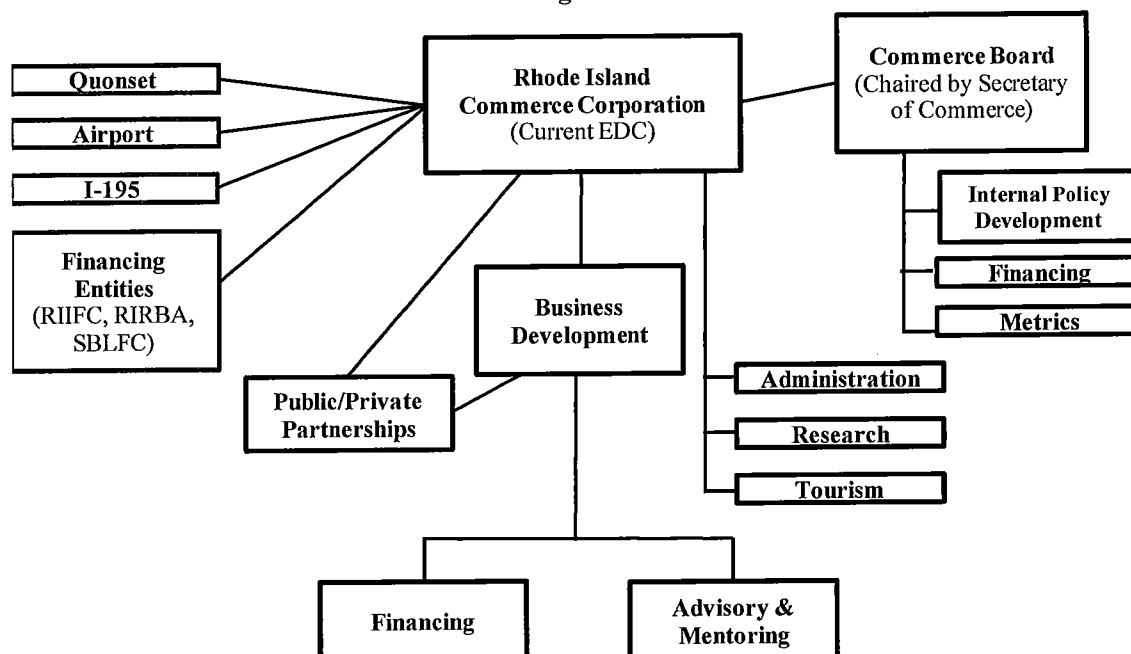
To reflect the new focus of the agency, as well as to ameliorate the damage done to the agency's reputation, the current Rhode Island Economic Development Corporation should be renamed. While RIPEC has suggested the Rhode Island Commerce Corporation (RICC), which is used across the recommendation section in this report, this name is just one alternative. This new quasi-public should be restructured so that certain backroom functions would be transferred to the new Executive Office of Commerce, while essential customer service functions (e.g., business development) stay at the agency. This will allow for the focus to be on providing a customer-centric approach to economic development. The Secretary of Commerce should become the Chairperson of the Corporation and should appoint the RICC Chief Operating Officer, subject to the approval of the Governor.

The main priority of the new quasi-public RICC should be to focus on the needs of Rhode Island's businesses. This can be accomplished through three interdependent functions: business development; public-private partnerships; and efficient corporate operations. The organizational centerpiece should be the management of customer needs and services. Business development should have two main foci: financing and advisory or mentoring services. When a business contacts RICC or RICC reaches out to a business, business development consultants should

determine which of these two business development needs best suit the customer. All customer contact should be maintained in one, agency-wide customer relationship management system.

Other functions such as public-private partnerships should be nurtured and bolstered to provide a broad array of solutions for customers. In other words, the RICC does not need to offer all business development services in-house. Rather, it should further develop its existing relationships and garner new relationships with the private and non-profit sectors to outsource these functions. Though the existing RIEDC maintains relationships with several external affiliates, the new RICC ought to focus on strategic external partnership management.

Figure VII-3



Commerce Corporation Board

Another shift to the existing quasi-public structure would be that the new RICC Board would focus its activities on: internal policy development and implementation; establishing financing guidelines and principles for loans and guarantees; approving loans and guarantees in accordance with the new procedures; and monitoring and reporting on the activities of the Corporation. The Board would provide advice and counsel to the Secretary of Commerce on policy matters and implementation procedures (see previous section on policy analysis and research). Although the Board would not be responsible for developing broad, statewide policy, they would, working with the Secretary and new Chief Operating Officer, work to operationalize policies developed by the statewide planning process. Working together, they would be responsible for aligning the function of the RICC to meet the policy goals in the statewide plan, establish metrics to evaluate success in achieving these goals, and ensure operational efficiency of the RICC.

Internal Policy Development: Another function of the Board should be to focus on the internal implementation of the state's broad economic development policies. Similarly, the Board should

provide feedback and guidance to the state as to the progress and challenges to the implementation of the state's overarching economic policies. The Board should take the lead in translating the broad state economic policy into a specific implementation plan at RICC.

Financing Oversight: The RICC Board should continue its work to develop institutionalized guidelines and principles for loans, loan guarantees, and economic incentives where appropriate, both prior to approval and as part of the review process. This would help ensure accountability, as well as to minimize undue political influence in the process. For example, the existing EDC's Access to Capital Sub-committee has recently developed a more formal process that should be followed for any EDC financing program including the Renewable Energy Fund. The process includes outside professionals reviewing and approving the granting of guarantees and this occurs for loan as well. This process could form a starting point for the Board, and they should build on these efforts as they move forward, making sure to incorporate both internal and external stakeholders. For instance, having the Department of Business Regulation review the guidelines and suggest additional measures for internal control. This may provide an increased level of comfort about the internal workings of the new agency.

Currently, there is little risk analysis completed on the EDC financing programs. It is the view of RIPEC that the RICC Board should hire an outside firm to provide an annual review and risk analysis of all outstanding loans and guarantees. A number of bank representatives who were interviewed suggested the new quasi-public in charge of economic development follow common banking guidelines and have all loans reviewed by an outside professional firm. The outside firm should examine the loans and guarantees to make sure it followed the established process to receive the loan. The firm should also provide a risk analysis of the current loan status. It might also be appropriate to have the outside firm review the financing commitments before the Board considers the loan.

When the financial commitments are granted, there should be an audit process or function in place to ensure that the institutionalized guidelines and principles were followed. Standardized procedures and policies, as well as an audit function, will further reduce the possibility for political interference in the loan process. The results of these audits should be clearly and consistently communicated to stakeholders by the Board. Similar public guidelines should be established for the certification process the agency uses to approve tax credits and other incentives.

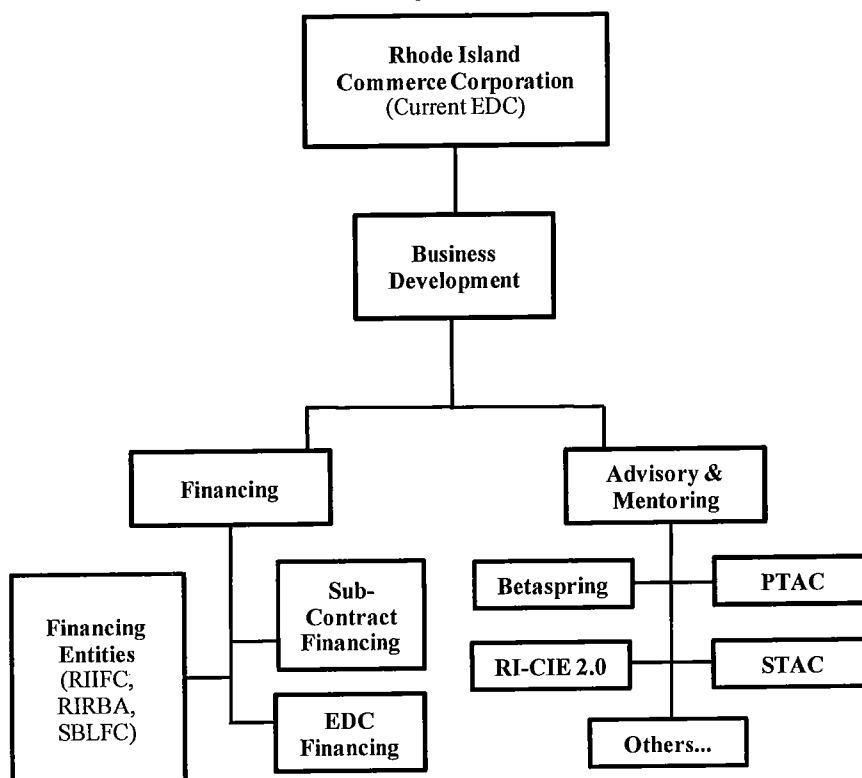
Performance Evaluation and Reporting: As stated earlier, the more progressive and successful economic development corporations across the country are driven by data analysis and performance metrics. Broadly, this is a two-step process. First, the Secretary of Commerce, working with the Board, should establish the goals or strategic initiatives of both the Executive Office and RICC. Once these are established, he or she should develop a set of measurable outcomes for measuring progress. It may be appropriate that RICC work with the Office of Management and Budget to establish the metrics. The RICC Board should review those metrics and formally adopt a set of metrics as part of its official activities. The Board should also monitor the entity's progress against those metrics. The Board should report out the results and review the results annually.

Business Development

As a reflection of the new orientation of the agency, particularly the customer-focused aspect, a Business Development Center of the RICC should be the primary entry point for businesses looking for assistance or needs evaluation. Customers should be referred to the next appropriate center such as financing or advisory/mentoring services, which offer solutions-based support for businesses (see figure VII-4). Financing and advisory/mentoring services may be done either in house (e.g., EDC financing programs), through quasi-public entities (e.g., RIIFC), or by other outside entities, such as Betaspring and SBA-certified lending institutions, through public-private relationships fostered by the RICC.

The Business Development Center should also be the central contact location, or concierge, for those in or outside of Rhode Island seeking help and information from the state. Effectively, the Center will be the public face for Rhode Island's business retention, attraction, and growth efforts.

Figure VII-4



The flow of customers through the Business Development Center should be managed by a customer relations tracking system that could be developed and analyzed either internally, or through a public-private partnership. This system should be used throughout the Secretariat as well. The Center, with the data assistance of the tracking system, would be responsible for monitoring the effectiveness and reach of these activities.

In addition to the above structural changes, RIPEC recommends the RICC consider looking to outside entities for advice on the development of a codified customer service approach. As a part of this process, they should consider consulting with an outside firm to map the customer

experience, as the state did for the Division of Motor Vehicles (DMV), in order to ensure the process is navigable and customer-friendly. This mapping process may form the basis of employee training in customer relations as well.

The Secretary and Board should establish a protocol for how Business Development Center proactively generates business attraction, retention and growth. A priority of the Center should be principled approach to local business outreach, and a systematic plan to reach this goal should be developed, and this should remain the goal while the new agency is established. Next, a protocol should be developed for outreach to out-of-state businesses. This plan should fit within the overall framework developed by the statewide planning process.

Administration

While the new Secretary of Commerce and RICC Chief Operating Officer may elect to move some administrative functions to the Office of Commerce, some day-to-day operational activities will remain with the agency. Although there are no specific staffing recommendations in this report, RIPEC recommends that attention is paid to the level of staffing to ensure that it is appropriate for the workload expectations and that staffing is periodically reviewed across the agency.

While RIPEC did not perform an evaluation of the current staff to determine if they have the necessary skills, training and qualifications suitable for the newly-designed RICC, such a review should be conducted with the appointment of the Secretary of Commerce and Chief Operating Officer. The actual assignment of personnel and resources should be determined based upon needs of the functions and services to be provided at the new agency, as determined by the Secretary and the new Chief Operating Officer. For example, the new customer-centric organizational structure may need a different set of skills and training than exists today.

However, RIPEC did analyze the current allocation of personnel to each of the agency functions and it appears that there was a mismatch between the agency's mission and goals, and staffing levels. Additionally, it appears that the agency was relatively top-heavy, with high levels of administrative and support staff. Although the structure has undergone staffing changes over the past few months, in order to address this issue, particular attention should continue to be paid to the alignment of staffing and priorities.

How staff positions are funded – particularly those positions that are funded through external sources – should be considered when evaluating staffing needs and allocation, particularly if changes to the structure or activities of the organization will impact these revenue sources. As such, RIPEC recommends that the existing revenue constraints be taken into account when reallocating personnel.

Research

As noted elsewhere in this report, there is a need to strengthen the state's research capacity where economic development is concerned. While RIPEC believes that policy analysis should be concentrated in the Council of Economic Advisors, who should be guided by the state's broad economic development plan, their work should be supported through a research arm at the RICC. This division would both be responsible for research that supports the agency's internal

activities, e.g., the development of comparative analyses of activities in other states and how Rhode Island compares, and external support activities, such as the use of economic forecasting software such as REMI.

Given the technical nature, level of sophistication required to perform the work, and workload expectations, it is important that the research division is adequately and appropriately staffed. This will help ensure timely, consistent and quality data analysis. Similarly, attention should be paid to the structure of the department such that the research function is supported.

Tourism

One of the functions that should remain in the redesigned agency is tourism. While RIPEC did not comprehensively examine the interrelationships between the agency's tourism arm and the other agencies, it appears that there is a need for better coordination with the other state tourism agencies outlined earlier. This increased cooperation would allow for a more cooperative and cohesive approach to the promotion of the state through the various organizations. The state should examine the means by which this coordination may be achieved. One possible strategy is to move funding to the Secretariat for distribution to the regional tourism districts and the RICC. Once the funding strategy is established, the Secretary should also seek partnerships for more aggressively promoting the state's tourism message in order to spur tourism-related development. For example, in Michigan, a \$14.2 million outlay for an out-of-state campaign resulted in an estimated \$1 billion circulating through Michigan businesses and \$70 million in tax revenue.¹¹

Current EDC Subsidiaries

The three existing EDC subsidiaries (Rhode Island Airport Corporation, Quonset Port Authority and the I-195 Commission) should be left as is, since they are providing discrete, specialized services supporting the economic development efforts of the state. However, one issue requiring further examination is whether the economic development activities of the three subsidiaries are in line with the overall economic strategy of the state. Without an overarching economic plan to drive this analysis, it is unclear whether these assets are maximizing their economic potential. As such, policymakers such as the new Secretary of Commerce should consider leaving these subsidiaries as they are until a strategic statewide economic plan is developed, which will help determine how the three agencies fit within the overall economic plan.

Financing

In addition to the three subsidiaries, RIPEC also broadly examined the role of EDC's financing entities: the Rhode Island Industrial Facilities Corporation; the Rhode Island Industrial-Recreational Building Authority; and the Small Business Loan Fund Corporation. Though there is no recommendation to change these entity's functions in this report, RIPEC suggests further analysis regarding whether some of these quasi-public conduits could be merged with other state conduit financing agencies to achieve greater efficiency of resources. For example, as table VII-1 illustrates, there are over ten other quasi-public agencies that also have the ability to issue bonds. Although these agencies differ somewhat in their borrowers, there are states, such as Massachusetts, that have successfully consolidated various conduit financing entities into one organization.

¹¹ Bramson, Kate. "Strong tourism brand put Michigan on the map". *The Providence Journal*. 24 June 2012

Table VII-1
RI Quasi-Public Agencies with Bonding Authority

Agency	Activity
Convention Center Authority	Issues revenue bonds for Dunkin Donuts Center renovation
Rhode Island Health & Educational Building Corporation	Issues financing for non-profit education, health care providers, public school projects
Rhode Island Housing & Mortgage Finance Corporation	Provides access to affordable housing
Rhode Island Student Loan Authority	Offers loan guarantees for eligible college students
Narragansett Bay Commission	Manages wastewater treatment facilities, infrastructure
Rhode Island Clean Water Finance Agency	Provide revolving loans to treat water pollution
Rhode Island Water Resources Board Corporate	Leases/contracts use of water supply facilities
Rhode Island Resource Recovery Corporation	Manages solid waste disposal
Rhode Island Public Transit Authority	Facilitates interstate transportation
Rhode Island Turnpike and Bridge Authority	Operates bridge projects
Tobacco Settlement Financing Corporation	Sells rights to master settlement

**This chart does not reflect any quasi-public agencies associated with the EDC
SOURCE: RI Senate Fiscal Office Report

Public-Private Partnerships

Currently, the EDC engages in a number of public-private partnerships that serve to support the agency's services and responsibilities. Based on RIPEC's analysis, the reorganized RICC should work to both retain partnerships that work within this new framework as well as to foster the creation of new ones. Public-private partnerships not only help alleviate budgetary pressures by allowing for an outsourcing of some functions, they also encourage the formation of strong external relations and ensure that the "client" – in this case, businesses – receives the best value.

The new organization should incorporate a function that supports the development of public-private partnerships, particularly as they relate to the functions of the Business Development Center. These relationships would allow the Business Development Center to provide a broader range of solutions and services to businesses seeking financing, advice or mentoring. Developing positive working relationships with other agencies within the state could also help foster local community support while rebranding of the agency.

Examples of potential areas in which the agency may wish to expand its public-private partnerships include:

- Creating more venture capital funding. Rhode Island is home of several substantial venture capital firms and a Rhode Island-only fund managed and run by the private sector may provide additional resources to help grow the state's economy.
- Fostering relationships between higher education institutions and the manufacturing community to commercialize aspects of the state's arts and culture activities. The state has a rich culture of innovation, higher education, and arts and culture – fostering relationships across this spectrum may help spur investment and economic activity.

Funding

In addition, RIPEC recommends the administration review the possibility of identifying a predictable source of funding for the development efforts of the state. A predictable revenue stream would be available to the agency to make multiyear commitments and better plan for its future activities. In particular, such commitments may be necessary to help attract private funds. Additionally, funding stability would provide a level of confidence to see that the state is committed to promoting the development of the Rhode Island economy and that the agency created to carry out that development that the private sector may need.

Furthermore, throughout the course of our research process, RIPEC came across examples in which economic development non-profit institutions did not have enough state funding to leverage valuable federal funding. For example, the John H. Chafee Center for International Business at Bryant University could multiply its output through the federal State Trade and Export Promotion (STEP) program if it received a higher state appropriation. This type of useful economic development non-profit funding could benefit from further review.

Additional Activities

In addition to the reorganizations detailed above, there are a number of activities that will enhance both internal and external activities and better position the state to develop and implement economic development policy. Chief among these are further examination of the state's business climate, the development of a statewide economic strategy, and an outside, cost-benefit analysis of the agency's loan functions.

Business Climate Analysis

In an increasingly competitive global market, states must evaluate policies geared toward attracting and retaining business activity within their borders. Though no one single climate or set of policies are ideal for every business enterprise, and though there are a number of justifications for why businesses relocate or start in a particular area, Rhode Island should be more strategic about its existing business climate.

State business climates are evaluated by a number of national rankings and studies. Analyzing business climate components is challenging, particularly because the factors of optimal or "good" business climate vary from analysis to analysis. However, there are common themes that run through the majority of studies that rank state business climates, such as tax policy, that are worth examining in greater depth.

Since Rhode Island's business climate is consistently ranked near the bottom of all 50 states, RIPEC recommends that the Governor create a working group to analyze the various studies that rank business climates across all fifty states, including an analysis of the cost of doing business in Rhode Island compared to other states. This analysis should determine ways for Rhode Island to improve its current rankings and should include working with the various organizations that publish the rankings. The working group's recommendations should be prepared, and a legislative package developed, for the 2013 legislative session. Any change that can be accomplished through executive order or regulatory change should be prioritized. This process

of review and analysis of the business climate should be established as a common, institutionalized procedure for the state.

Economic Development Strategy

A common theme across RIPEC's analysis was that Rhode Island lacks a comprehensive, strategic economic plan. The need for such a plan was not only noted in interviews, but was echoed across economic development and organizational literature. It is, therefore, RIPEC's recommendation that the Governor issue an executive order to develop and implement a written, comprehensive economic development policy for the state and a strategic plan for implementing the policy. The policy should set long-term goals and measurable benchmarks, which are not limited to a particular administration, and should give consideration to any impacts the plan may have on the businesses in the state.

The second part of this recommendation is to institutionalize this process in order to ensure the comprehensive plan is a living document, reflecting current conditions and goals. At the beginning of a gubernatorial term (including reelection), the existing plan should be reviewed and changes made as appropriate. The policy should update long-term goals and benchmarks, noting areas or policies that were successful or that did not work. The strategic plan should include major economic development initiatives, programs and agencies related to economic development. Further, the planning process should include as many stakeholders as reasonably determined to efficiently conduct the analysis while also producing a consensus-driven comprehensive plan that can be used to measure and evaluate other individual plans from various state departments.

Currently, the Statewide Planning Division in the Department of Administration is involved in a statewide planning process, which may meet these parameters, and this recommendation has been provided to the Division for consideration. There is also funding available for their process. In order to ensure the continuation of these efforts, RIPEC has prepared an executive order, and a recommended legislative amendment to institutionalize the planning process for each time a governor takes the oath of office.

Loan and Loan Guarantee Analysis

One of the primary activities of the EDC's business assistance operations currently is loans and loan guarantees, and it is expected that this function would remain in the reorganized RICC. However, RIPEC recommends that there be an in-depth examination of the viability of sub-contracting out some of these financing programs. For example, there are several external firms that currently compete with the existing EDC's Small Business Loan Fund program. RIPEC's analysis suggests that the non-EDC loan programs are as price competitive and more efficient from a staffing standpoint than the corporation.

As table VII-2 indicates, from 2007 through 2012, the EDC's SBLF loan program generated far fewer loans than the SBA program. While this table does not break out the loan program, evidence suggests that organizations separate from the EDC, such as SBA or the Business Development Corporation assign fewer employees to financial services. Currently, the EDC financial services program has a managing director, four financial portfolio managers, a financial services operations manager, and a financial services client relations manager. In comparison,

the Business Development Company maintains a president, two vice presidents, and one administrator. Likewise, one of the SBA's certified development companies (CDC), the Ocean State Business Development Authority, has only three principals: a president, vice president, and portfolio manager, who are the main points of contact for loan applicants (see Appendix).

Table VII-2
Loans by EDC and SBA Programs (\$ millions)

Lender	2007		2008		2009		2010		2011		2012		Outstanding Loans
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$	
EDC Small Business Loan Fund*	7	\$0.7	10	\$1.6	8	\$1.4	12	\$1.8	17	\$2.9	10	\$2.0	79
SBA (Loan guarantees)													
504 Program**	42	\$20.3	32	\$12.0	36	\$17.8	55	\$29.7	45	\$21.0	43	\$30.4	5,000
7(a) Program (for working capital)**	486	47.6	337	48.2	342	54.1	397	68.6	398	105.5	255	49.0	
Microloan program***	8	0.2	2	0.0	0	0.0	5	0.1	4	0.1	4	0.1	

The EDC SBLF numbers include the SSBCI numbers

**Includes data through August 8, 2012*

***Includes data from November 1, 2011 to July 31, 2012*

****Includes data from November 10, 2011 to April 30, 2012*

SOURCE: EDC materials, SBA interviews and research

While such an analysis is beyond the scope of this report, RIPEC believes the Board should commission an independent analysis that examines these issues and recommends a mix of possibilities for the agency as it moves forward. Considerations should include:

- The type of loan, terms and borrowers, and whether there are similar organizations providing the same types of loans who could perform the same functions more effectively, and at a better value to the customer;
- Potential revenues losses for the agency if some lending activity were outsourced, particularly as these revenues help support other financial service activities at the agency;
- Whether the agency could or should increase its volume or scope of lending activity in order to be more efficient from a cost-benefit standpoint, or whether a reorganization of the lending function would achieve the same result;
- Any opportunities that exist for the agency to partner with other loan programs or other ways to potentially reduce cost; and
- How to ensure that the continuum of access to capital is complete with offerings for borrowers.

Conclusions and Next Steps

The recommendations contained in this section will change the economic development structure of the State of Rhode Island. Placing the economic development function at the highest level of state government, organized as a secretariat, improves coordination and elevates its importance. Internal reorganization allows for the agency to be more focused in its implementation of statewide policy, and will support a customer-oriented approach that will both repair brand damage and be more responsive to the needs of businesses. Finally, the consensus-driven

creation of a statewide economic development plan will form a solid foundation for the state as it works to improve its economic outlook.

It should be noted that RIPEC did not make recommendations on every issue that was raised during this review. Once a new structure is in place, leadership should take the initiative to conduct further evaluation of the organization. For instance, the effectiveness of the various programs and offerings was not specifically analyzed, but it is recognized that this should be accomplished as the reorganized structure is implemented. With the establishments of outcome metrics, this form of analysis will become clearer and more effective. Similarly, the issue of leadership was not addressed specifically in this document, although it is clear that there must be strong and capable leadership for any system to reach its full potential.

The processes by which these recommendations may be implemented are not included in this report. Rather, they will be published in a separate document, to be released soon. This “transition plan” will include RIPEC’s recommendations on how to proceed through the next steps, such as the creation of the secretariat, implementation of structural changes to the agency itself, and how the state might want to approach the development of a statewide plan.

While the path toward reform presents a number of challenges, the state has a window of opportunity to anchor its economic development structure in best practices and data-driven metrics. These efforts will require considerable political will and change will not happen overnight. However, it is imperative the state address these issues, to avoid retreating, once again, back to the economic development drawing board. Rhode Island has a strong history of innovation, entrepreneurship and productivity – and can use these traits to revitalize its economy. Capitalizing on Rhode Island’s unique resources in the context of this more aligned and functional structure will put Rhode Island on the path to prosperity.

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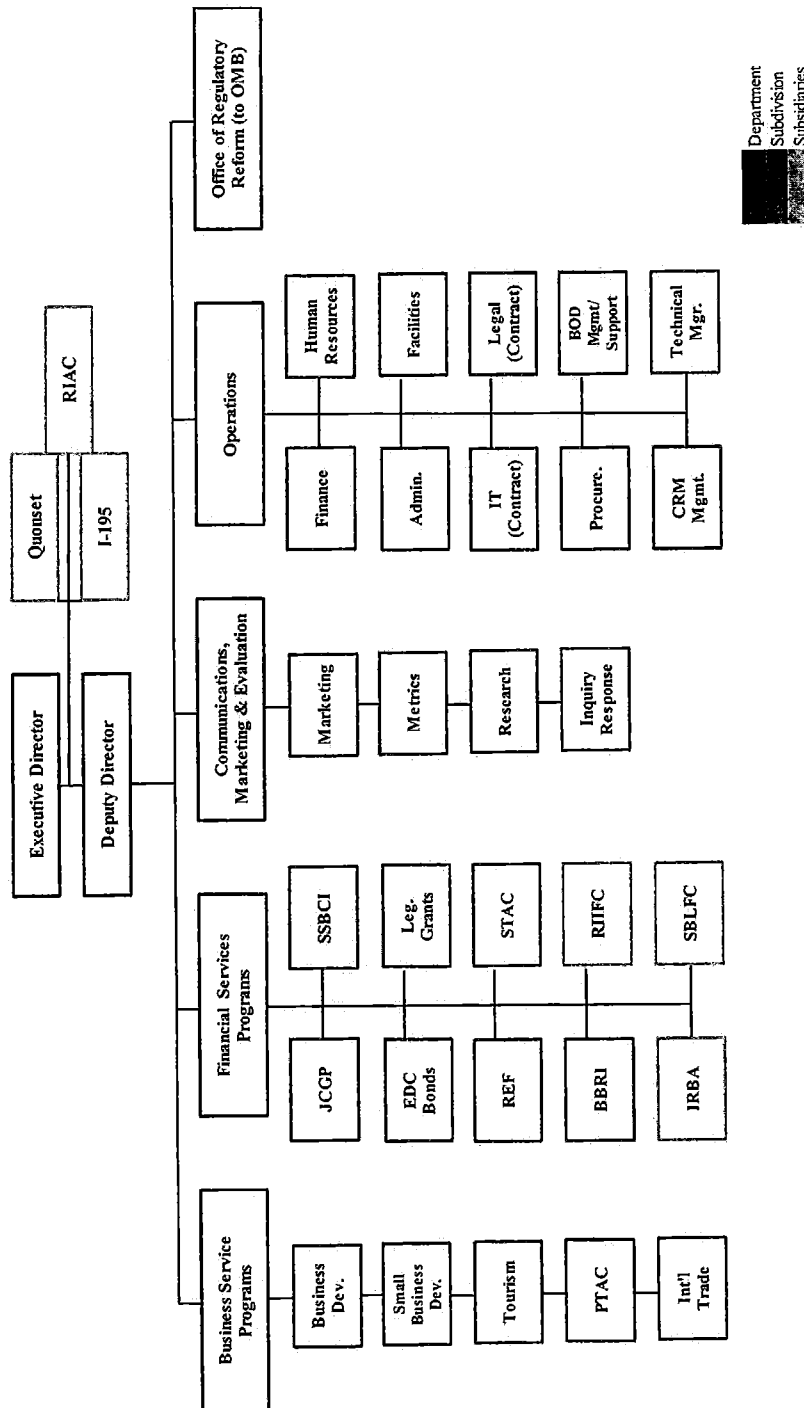
Glossary of Acronyms

American Recovery and Reinvestment Act (ARRA)
Base Realignment and Closure (BRAC)
Broadband Rhode Island initiative (BBRI)
Center for Regional Economic Competitiveness (CREC)
Center for Regional Economic Competitiveness (CREC)
Certified Development Companies (CDC)
Chief Financial Officer (CFO)
Customer Relations Management (CRM)
Department of Business Regulations (DBR)
Department of Economic Development (DED)
Department of Environmental Management (DEM)
Department of Labor and Training (DLT)
Department of Transportation (DOT)
Division of Motor Vehicles (DMV)
Economic Development Administration (EDA)
Economic Development Corporation (EDC)
Economic Development Organizations (EDOs)
Enterprise Zone (EZ)
Emergency Management Agency (EMA)
Executive Office of Housing and Economic Development (EOHED)
Experimental Program to Stimulate Competitive Research (EPSCoR)
Industrial Recreational Building Authority (IRBA)
International Economic Development Council (IEDC)
Iowa Economic Development Authority (IEDA)
Iowa Partnership for Economic Progress (IPEP)
Job Creation Guaranty Program (JCGP)
Memorandums of Understanding (MOU)
National Governor's Association (NGA)
National Science Foundation's (NSF)
Office of Management and Budget (OMB)
Office of Regulatory Reform (ORR)
Procurement and Technical Assistance Center (PTAC)
Quonset Development Corporation (QDC)
Quonset Development Corporation (QDC)
Regional Economic Models, Inc. (REMI)
Renewable Energy Fund (REF)
Rhode Island Airport Corporation (RIAC)
Rhode Island Commerce Corporation (RICC)

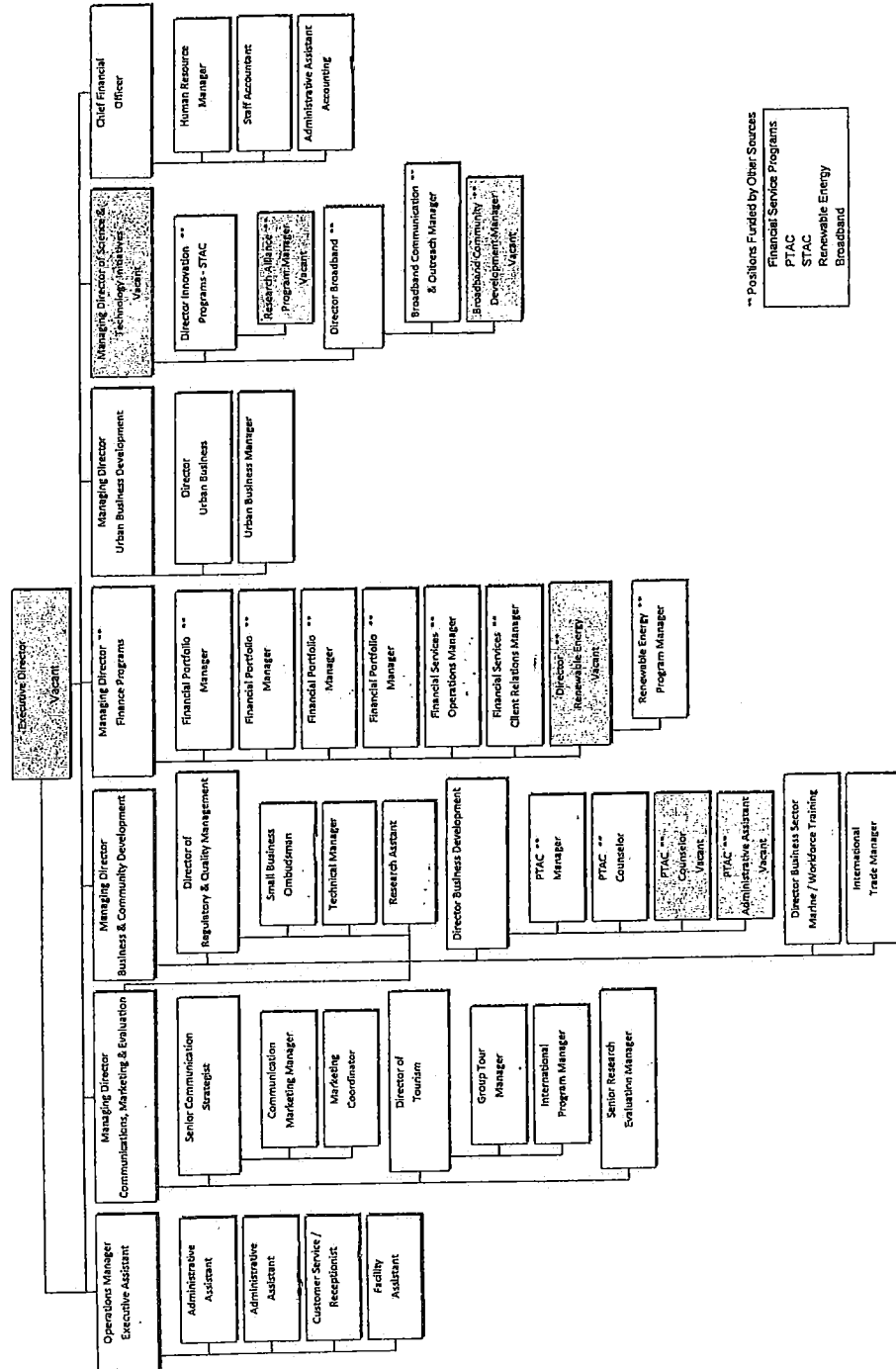
Rhode Island Industrial-Recreational Building Authority (RIIRBA)
RI Industrial Facilities Corporation (RIIFC)
Science and Technology Advisory Council (STAC)
Small Business Administration (SBA)
Small Business Loan Fund (SBLF)
Small Business Loan Fund Corporation (SBLFC)
State Small Business Credit Initiative (SSBCI)

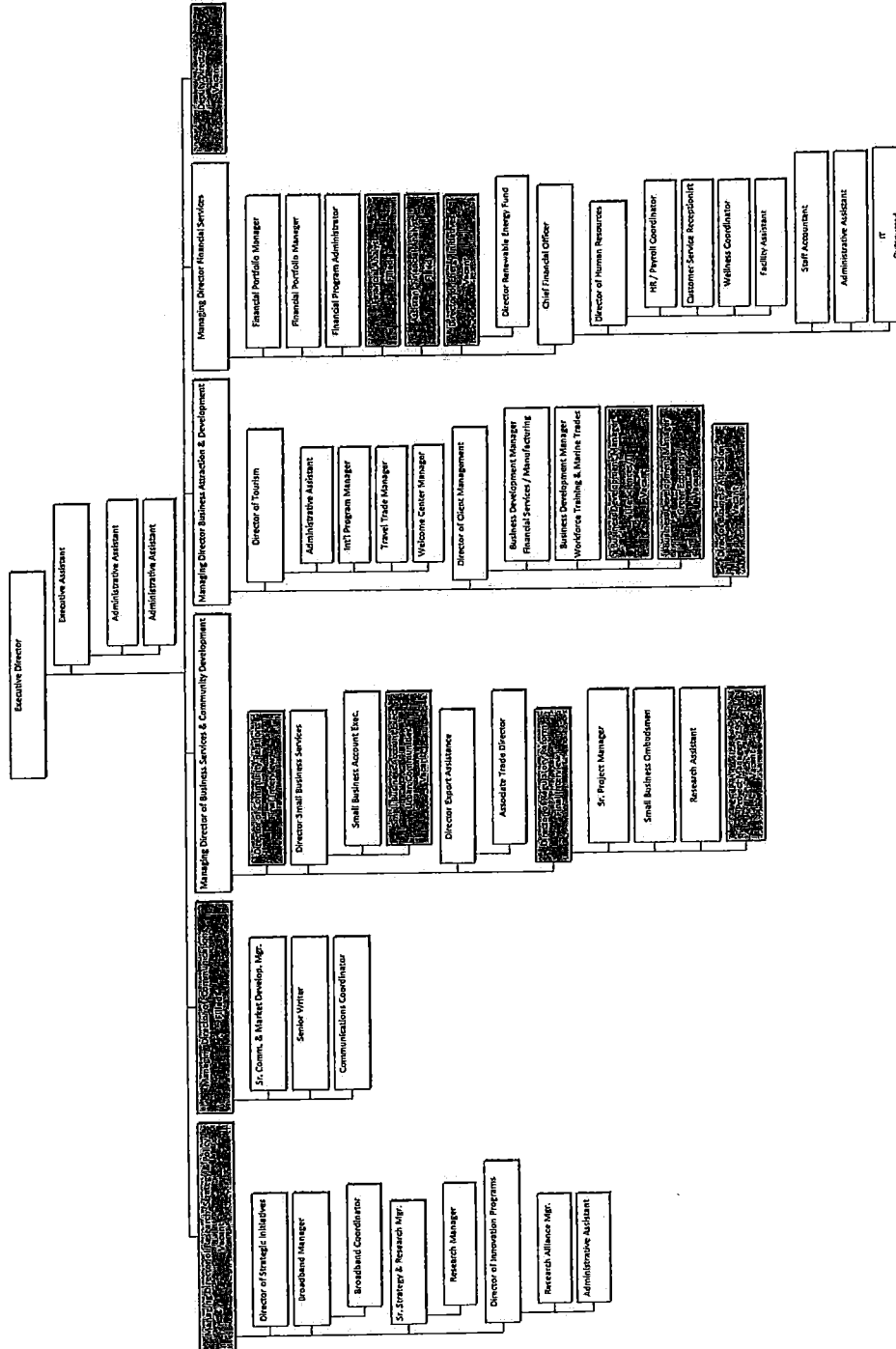
Historic EDC Organizational Charts

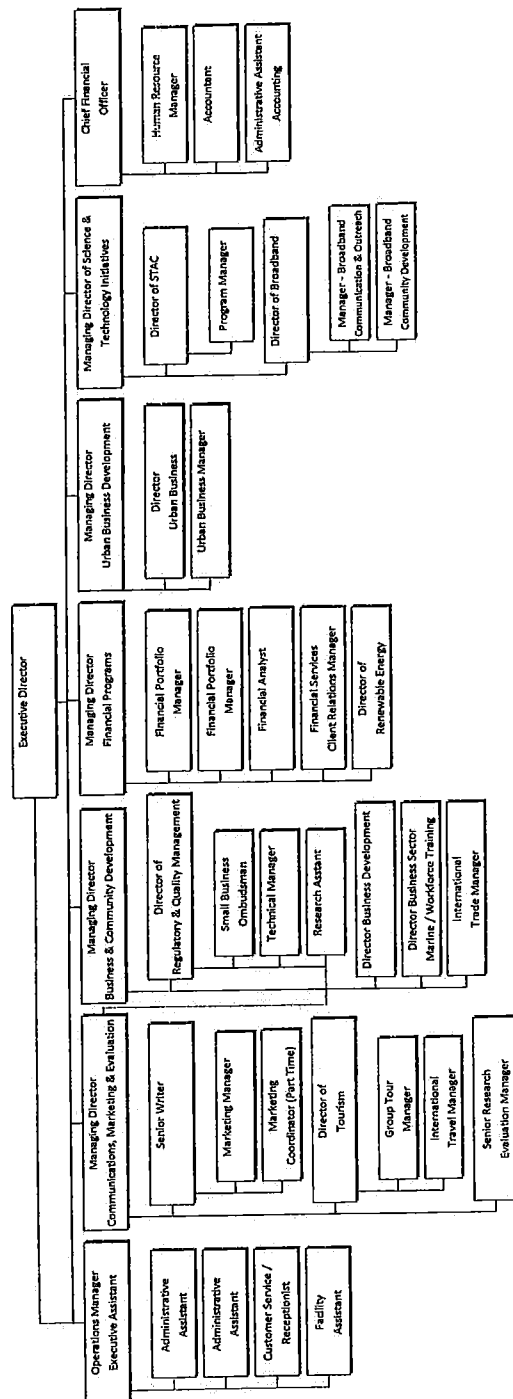
Figure III-1
Interim EDC Organization, July 27, 2012



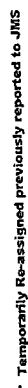
RIEDC Org Chart - June 5, 2012











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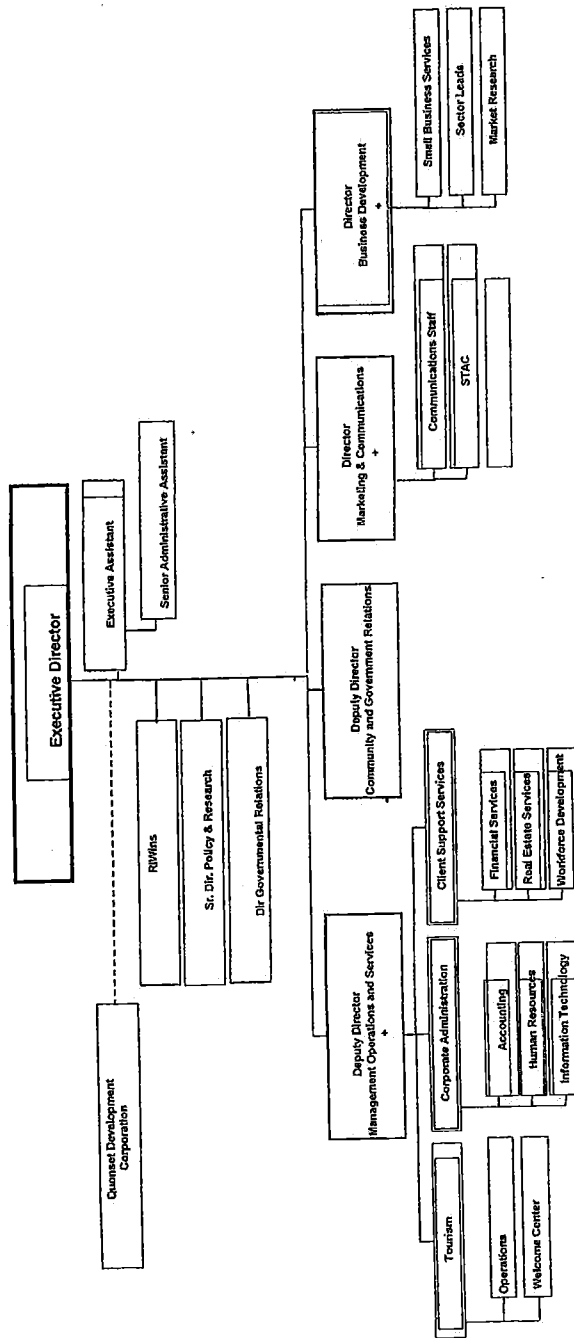
- Quonset Development Corporation (Chairperson)
- Slater Technology Board (Chairperson)
- Rhode Island Economic Policy Council
- Rhode Island Commodores

73



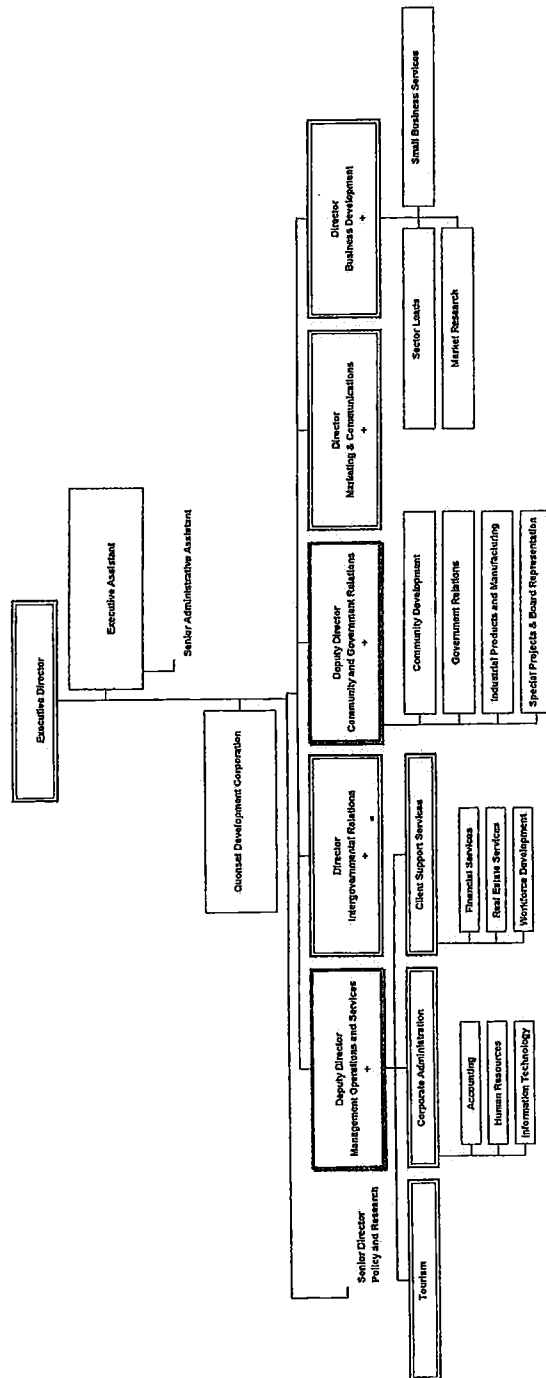
**RHODE ISLAND
Economic Development
CORPORATION**

Organization Chart - 2007

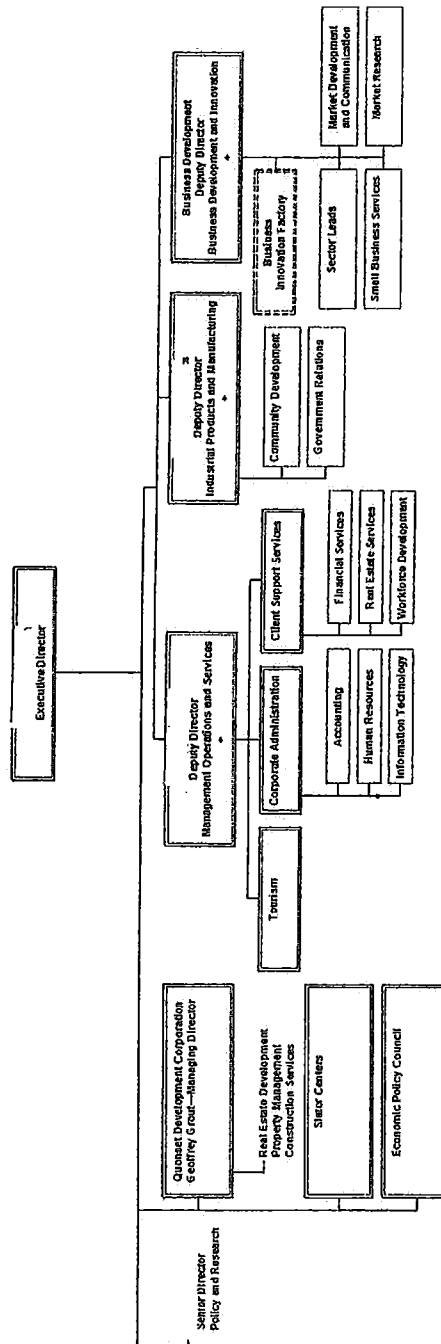


+ indicates additional detail on subsequent charts

RIEDC 2006 Org Chart

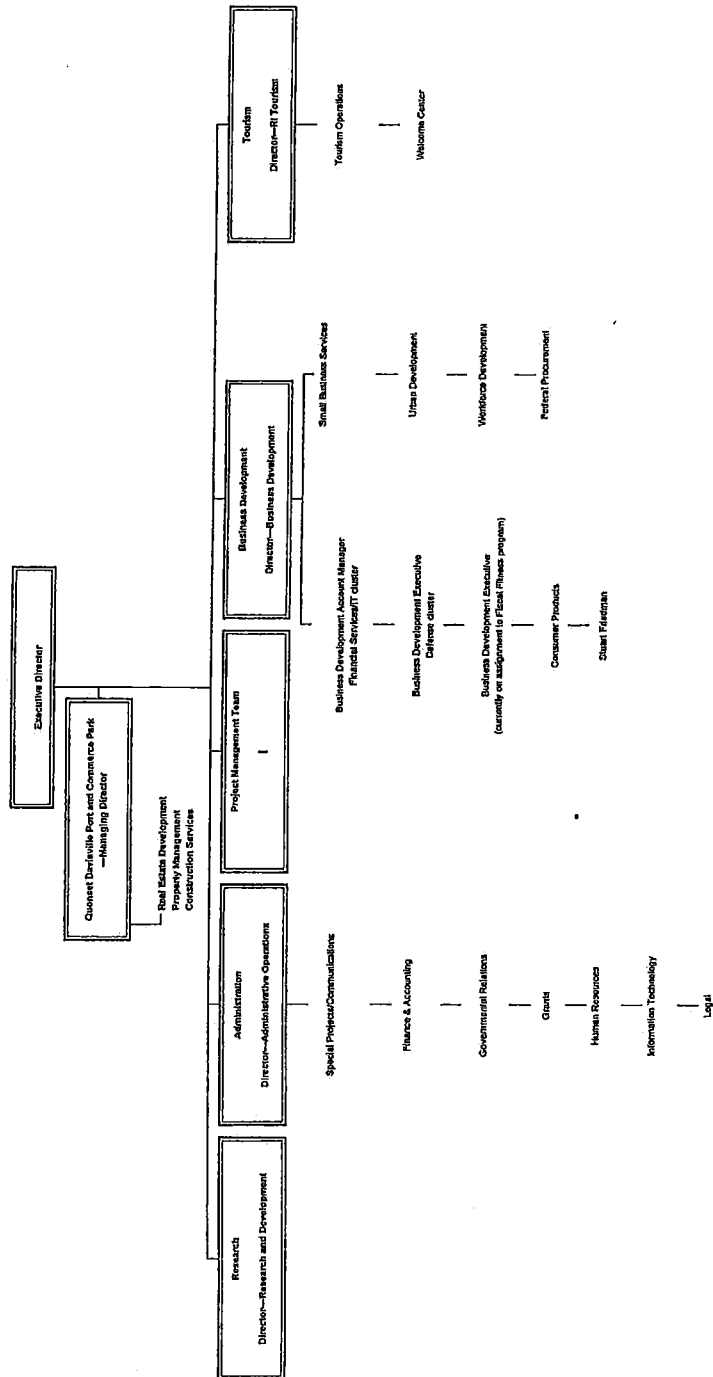


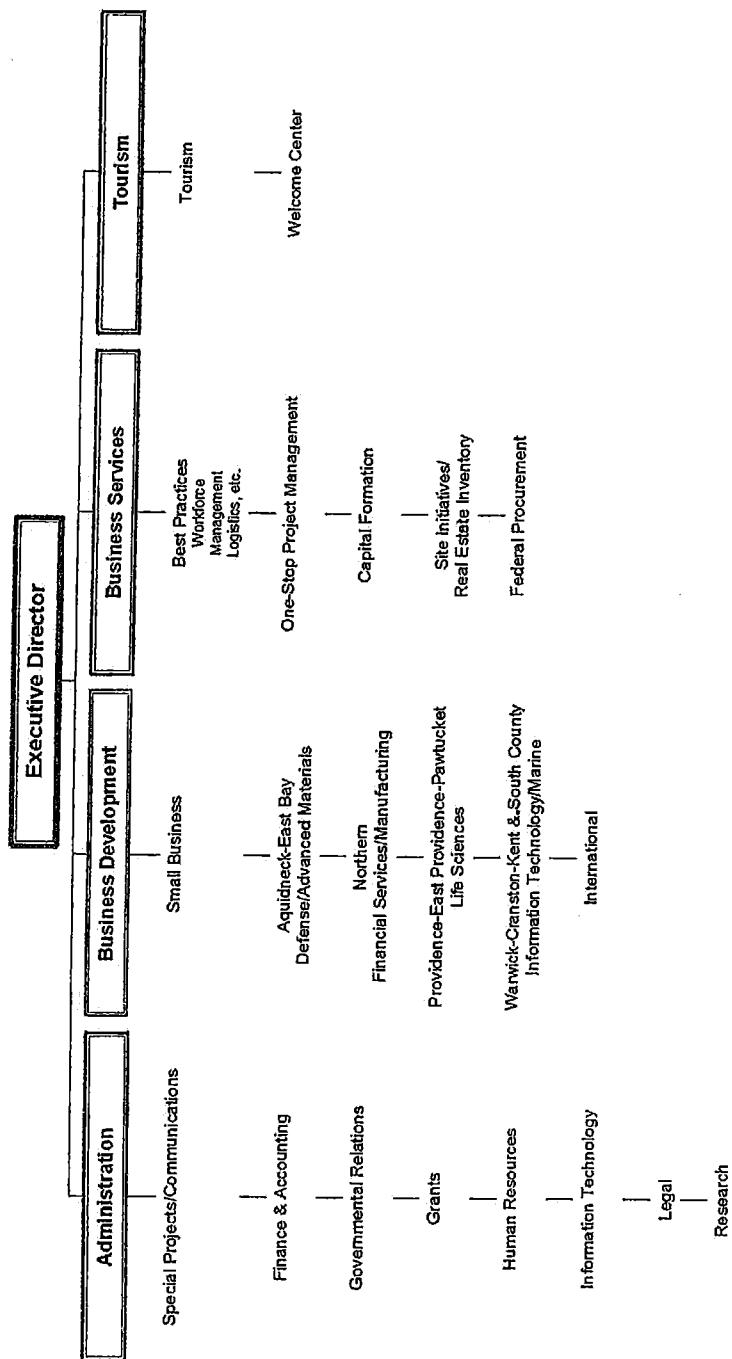
RIEDC Organization Chart



April 2005 v. 1.0

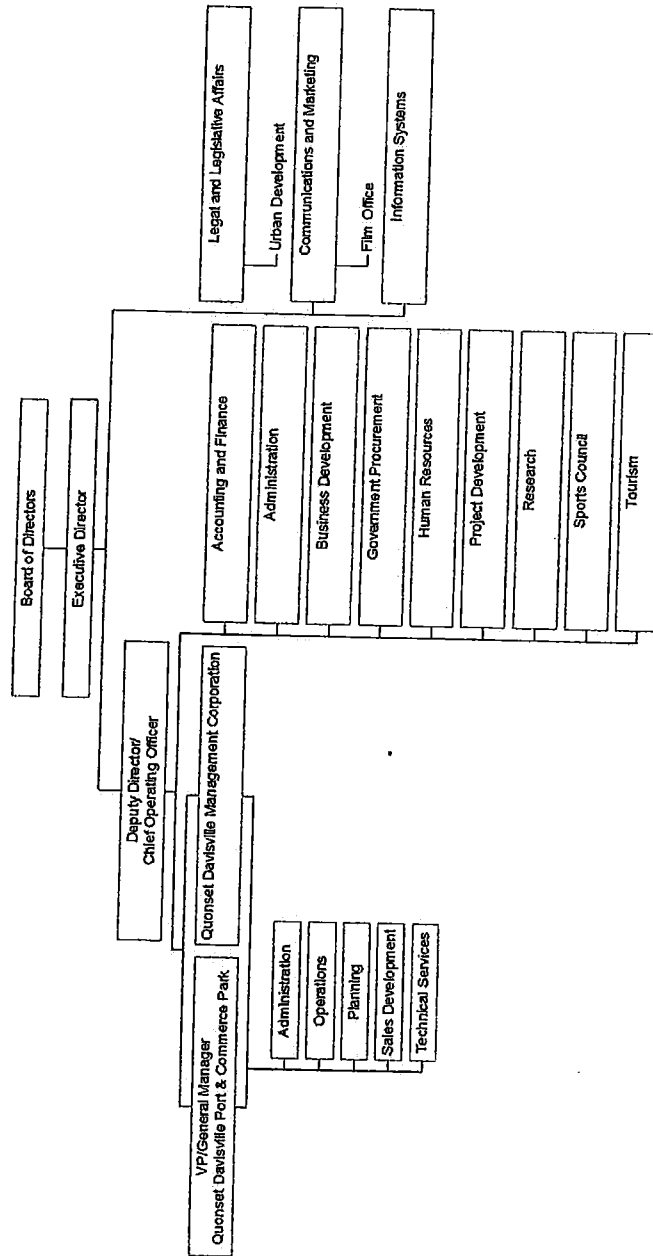
2004 Org Chart - Functional





2003

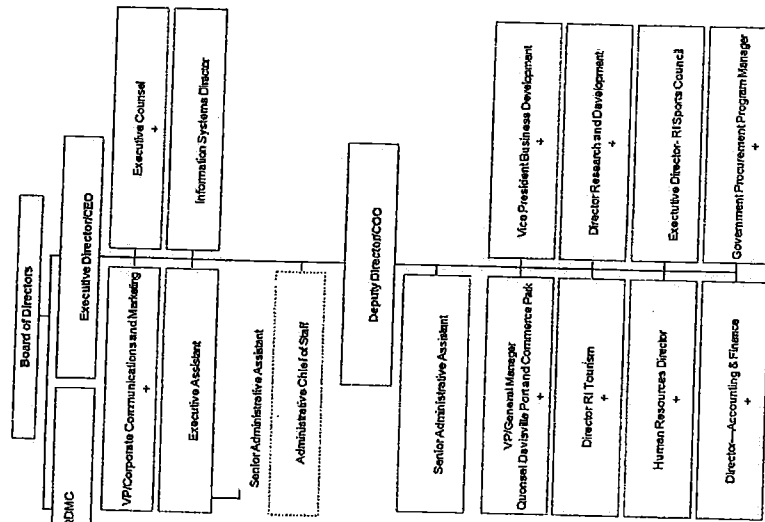
Functional Organization Chart



July 2002

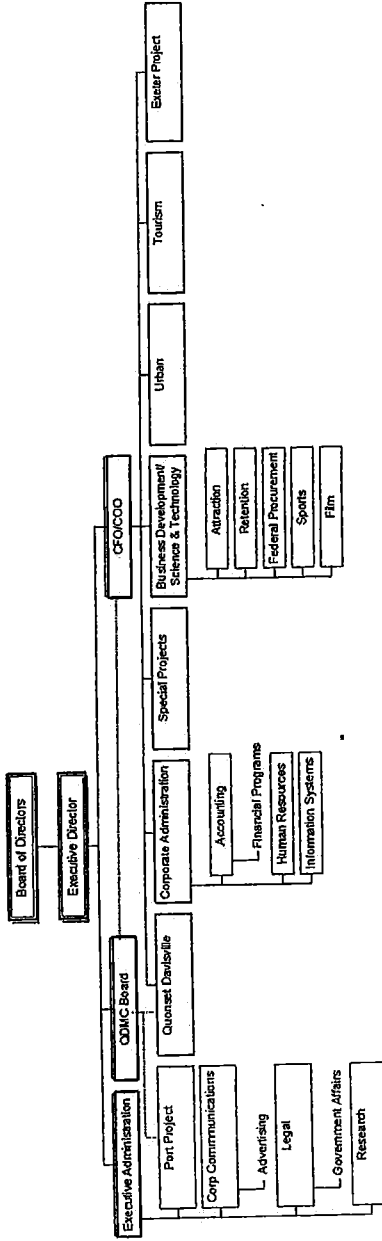
2001

Management and Administration



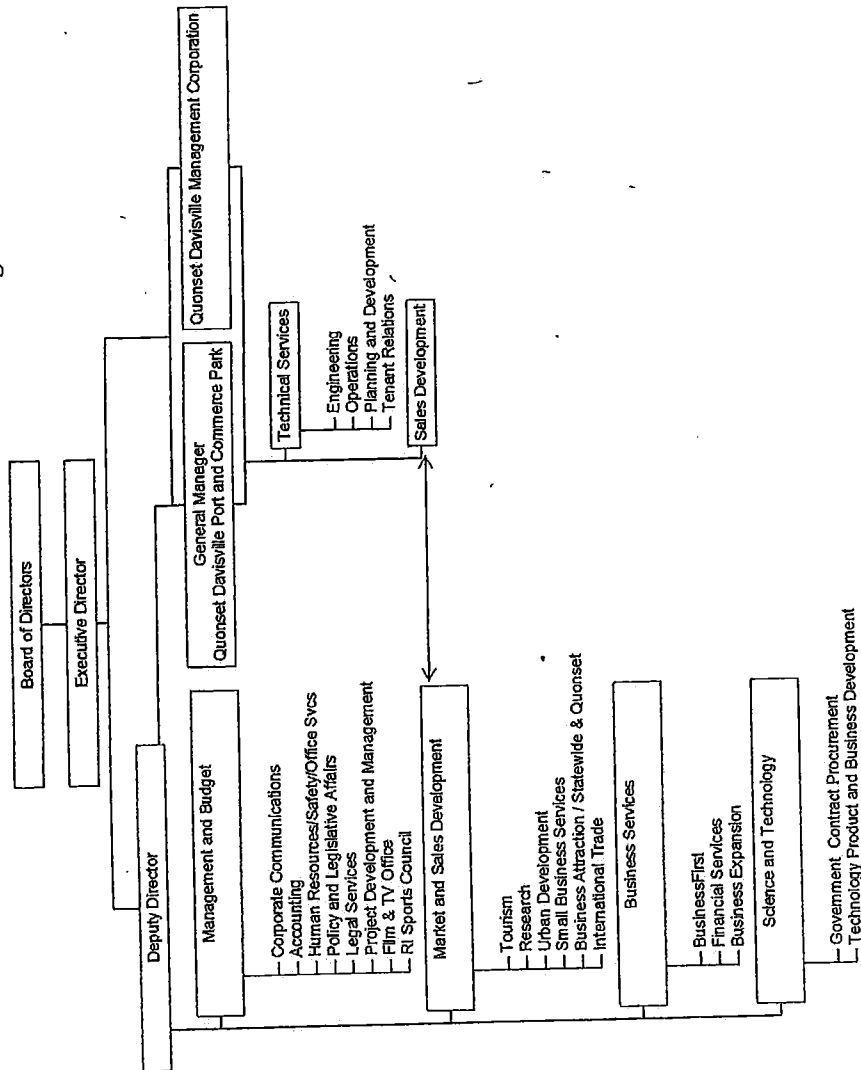
R H O D E I S L A N D

Rhode Island Economic Development Corporation



Functional Organization Chart *Confidential—for internal use only* December 2000

Rhode Island Economic Development Corporation Functional Organization Chart- 1999



EDC External Partners and Affiliates

AAA (also known as AAA Insurance Agency and AAA Travel Agency)

A motoring and travel association. The organization is a civic, not for profit, tax paying club with two purposes: to work on behalf of all motorists in legislative, safety and travel matters, and to provide auto and travel services to members for an annual membership dues fee.

- Tourism

AICU-RI (Association of Independent Colleges and Universities)

An alliance representing the eight independent institutions of higher learning within the State of Rhode Island. Designed to address common interests and concerns of independent colleges and universities within the state, the Association serves as the collective and unified voice of its member institutions.

- STAC
- Tourism

Base Realignment and Closure/Newport County Chamber of Commerce (BRAC)

The congressionally authorized process the US Department of Defense has previously used to reorganize its base structure to more efficiently and effectively support military forces, increase operational readiness and facilitate new ways of doing business.

- Business Development

Betaspring

A mentorship-driven startup accelerator program for technology and design entrepreneurs who are ready to build a product, launch a company, and change the world.

- Communications and Marketing
- Research
- STAC
- Finance
- Small Business Development

Blackstone River Valley National Heritage Corridor (BRVNHC) Commission

Established by Congress, consisting of local and state members nominated by the governors of Rhode Island and Massachusetts, and appointed by the U.S. Secretary of the Interior. Within the Cultural Heritage and Land Management Plan, the Commission maintains coordination between the federal government, the states of Rhode Island and Massachusetts, and the 20 municipalities contained in the Blackstone River Valley. Areas of work include historic preservation, environmental conservation, land use management, recreation, and economic development.

- Tourism

Blackstone Tourism Council

The Council's mission is to create positive change with regard to community values by developing and promoting coordinated, responsible and sustainable tourism in Rhode Island's Blackstone Valley communities. It uses sustainable tourism principles to improve quality of life, preserve the region's history, build a stronger, cleaner environment, and celebrate cultural heritage.

- Small Business Development
- Tourism
- Communications and Marketing

Brand USA

Brand USA encourages increased international visitation to the United States and grows America's share of the global travel market.

- Tourism

Brave River Solutions

A Rhode Island-based web design, development, IT services, and consulting firm. Established in 2000, Brave River enhances productivity and efficiency by creating state-of-the-art business technology solutions.

- Communications and Marketing

*Business Innovation Factory

A non-profit corporation dedicated to helping its members learn from the best minds in business innovation; BIF provides opportunities to network and collaborate with organizations that are driven to explore and test new business models.

Capital Good Fund

A non-profit microfinance organization that targets root causes of poverty through innovative microloans and personal financial coaching.

- Broadband
- Small Business Development
- Finance

Care New England system

Comprised of three hospitals – Butler, Kent and Women & Infants – as well as the Care New England Wellness Center and VNA of Care New England. Together, the distinctive programs, staff and talents of each combine to ensure a high quality continuum of care.

- STAC

*Center for Business Support at Roger Williams University's Gabelli School of Business

Facilitates the formation and advancement of small and medium-sized businesses and non-profit organizations in the Rhode Island, Connecticut and Southeastern Massachusetts areas; assists these businesses by offering workshops, seminars, and conferences; providing student consulting teams; coordinating student internships and cooperative education assignments; and providing planning assistance to businesses.

Center for Global and Regional Economic Studies at Bryant University

Advances Bryant's mission of developing the global perspective of its undergraduate and graduate students through a variety of academic and research opportunities led by expert faculty as they work to generate new and valuable ideas for promoting economic development.

- Research
- International Trade

*Center for Technology Commercialization

A private non-profit 501(c)3 company that provides advice and assistance related to public safety and homeland security activities, focusing on state and local public safety communities and those government agencies and suppliers who support them. CTC fosters excellence in operational practices and the appropriate use of technology.

Center for Women & Enterprise

A nationally known nonprofit organization dedicated to empowering women to become economically self-sufficient and to prosper through business and entrepreneurship.

- Finance
- Broadband
- Small Business Development
- PTAC

Center to Advance Minority Participation in Construction Industry

A Providence-based non-profit organization that serves as a business incubator and training facility for minority youth and adults throughout Rhode Island. The Center's purpose is to increase minority participation in building-related trades and businesses.

- Finance
- Small Business Development

**Central RI Development Corporation (CRIDCO)

Chambers of Commerce – statewide

- Tourism
- Finance

- PTAC
- International Trade
- Communications and Marketing
- Business Development

Cherrystone Angel Group

Offers early stage investment funds to companies in Rhode Island and nearby Connecticut and Massachusetts that need capital for growth; works closely with founding teams in the early stages of companies to help them grow and achieve success.

- Research
- Finance

Coastal Resources Management Council

A state agency created by the General Assembly in 1971, the Council's primary responsibility is the continued planning and management of Rhode Island's coastal resources. The Council balances economic and environmental protection considerations. Responsibilities include advising legislators and the public on coastal resource issues, providing regulatory functions, issuing permits for work in the coastal zone, and identifying new issues and seeking their resolution. Council members are appointed representatives of the public and state and local government, and a staff of professional engineers, biologists, environmental scientists, and marine resources specialists.

- Regulatory Reform
- Technical Manager

Coastal Resources Center at the University of Rhode Island's Graduate School of Oceanography

Dedicated to advancing coastal management worldwide, the Center assists in the development and implementation of coastal management programs in Rhode Island and the United States. The Center is also active throughout the world, promoting the sustainable use of coastal resources and implementing coastal management projects in the field.

- REF

Commodores

A non-profit, non-partisan organization that assists and stimulates economic enterprise within Rhode Island by direct action through education, economic promotion and hospitality. The Commodores' focus is on the cooperation and promotion of resources within Rhode Island. The organization encourages the general public's understanding of the economic and cultural benefits accruing from working, living and vacationing in Rhode Island.

- Communications and Marketing
- Finance
- Small Business Development

- PTAC
- International Trade

Contractor's Registration & Licensing Board

A state agency whose mission is to safeguard the consumer's rights related to contracted improvements to residential property, while providing a fair and positive environment for the construction industry.

- Regulatory Reform

Dept. of Defense Northeast Regional Council for Small Business Training & Advocacy

Covering New England and New York State, the Council is part of a nationwide network of small business specialists organized to facilitate small business coordination with federal agencies and federal prime contractors.

- PTAC

Discover New England

A non-profit cooperative marketing entity, DNE is the official tourism organization representing the New England region. Its primary mission is to increase tourism to the New England region from overseas markets, with a particular focus on the core markets of the United Kingdom/Ireland and Germany.

- Business Development
- Tourism

Dorcas International Institute of Rhode Island

A merger that will bring together one of the state's best-regarded adult education and workforce development programs: Dorcas Place, which for 31 years has served low-income adults to realize their full potential through literacy, collaboration, advocacy and community involvement; and the International Institute, with a 91-year history of serving the myriad needs of immigrants and refugees in Rhode Island and southeastern Massachusetts.

- Small Business Development

Eastern Trade Council (ETC)

Supported by annual appropriations from its 11 member jurisdictions, the ETC is an accelerator for regional trade development and policy whose goal is to increase exports. It leverages economies of scale, reduces costs, bolsters competitive advantages, and increases efficiencies. ETC also enhances state trade programs and increases exports by sharing trade development data and best practices, jointly promoting regional products and services, and collectively advocating for federal trade promotion programs and policies that benefit the region.

- International Trade

Economic Development Foundation of Rhode Island

The merged entity of three not-for-profit economic development organizations (Blackstone Valley Development Foundation, Inc.; Industrial Foundation of Rhode Island, Inc.; and Woonsocket Industrial Development Corporation). EDF expands community tax bases and creates quality job opportunities through well-designed real estate projects.

- Technical Manager
- Finance
- Business Development
- Communications and Marketing

Energy Efficiency and Resource Management Council

A state government council that provides an integrated, comprehensive, public, stakeholder-driven organizational structure to secure for Rhode Island and its people the full supply, economic and environmental benefits of energy efficiency, conservation and resource management.

- REF

**Entrepreneurship Forum of New England

Executive Office of RI Health & Human Services

- Regulatory Reform

Exeter Job Corps Center

The Exeter, RI branch of Job Corps, a no-cost education and career technical training program administered by the U.S. Department of Labor that helps young people ages 16 through 24 improve the quality of their lives through career technical and academic training. The Job Corps program is authorized by Title I-C of the Workforce Investment Act of 1998.

- Business Development

Federal Delegation District Offices (Reed, Whitehouse, Langevin & Cicilline)

- STAC
- Finance
- PTAC
- Business Development
- Communications and Marketing

Food Export USA

A non-profit organization created in 1973 as a cooperative effort between 10 northeastern state agricultural promotion agencies and the United States Department of Agriculture's Foreign Agriculture Service. Promotes the export of food and agricultural products from the northeast

region of the United States by providing a wide range of services to facilitate trade between local food suppliers and importers around the world.

- International Trade

Governor's Disability Business Enterprise Program

Created through the Governor's Commission on Disabilities in 1987, the program's purpose is to help establish a market for the goods and services produced by the employees of the State recognized rehabilitation agencies.

- Business Development

Governor's Institute on Community Design

The Institute assists governors as they seek to guide growth and development in their states. A central goal of the Institute is to give governors practical solutions to the issues they face and a better understanding of how community design can be used to increase the social and economic well-being of their states and citizens. The Institute develops targeted workshops with nationally renowned experts for individual governors, their cabinets and staff in order to address each governor's particular priorities.

- Small Business Development

Governor's Workforce Board (RIDLT)

Created by executive order in 2005. The Board's role is to institute statewide policies, goals and guidelines for the coordination of all employment and training programs, employment-associated educational programs and related services, throughout the state. The Board's mission is to develop, implement and support strategies that increase and improve the skill base of the workforce to meet the current and future demands of Rhode Island's businesses. In addition, the Board convenes and builds consensus among public and private stakeholders on devising policies that increase economic development opportunities within the state. The Board serves as the primary advisory body to the Governor regarding the array of Rhode Island's federal and state workforce development programs and related system issues.

- International Trade
- Small Business Development
- Finance
- Broadband

Grow Smart

Grow Smart Rhode Island is a 501 (c)(3) nonprofit organization advocating sustainable economic growth that builds upon and strengthens Rhode Island's exceptional quality of place. They work to achieve revitalized, walkable urban and town centers; affordable housing options; expanded transportation choices; a vital agricultural sector; and responsible stewardship of natural resources.

- Research
- Finance
- Small Business Development
- Business Development
- Technical Manager

Hospital Association of Rhode Island (HARI)

An advocate for RI hospitals that is capable of working for and with the hospitals to positively influence public opinion, legislative outcomes and regulatory policy.

- Regulatory Reform
- STAC
- Finance
- Business Development

I-195 Redevelopment District Commission

Fosters economic development and job creation on the I-195 land and beyond by creating an environment that encourages high-value users to build well-designed structures that enhance the value of surrounding neighborhoods and augment the sense of place

- Business Development
- Finance
- Communications and Marketing
- Technical Manager

Innovation Providence Implementation Council (IPIC)

Comprised of leaders of colleges, universities, hospitals, state and city government, and business, IPIC is charged with measuring progress and driving strategy surrounding the development of Rhode Island's Knowledge Economy. The group sets the action agenda for moving the Knowledge Economy forward; distributes grant funds through a formal process; and helps to jumpstart projects identified as promising economic opportunities that will expand key industries and nurture the entrepreneurial spirit of the city and state.

- STAC
- Communications and Marketing

International Yacht Restoration School

An internationally known school, focused on preparing students to enter and excel in all aspects of modern boatbuilding. With campuses in the heart of historic Newport and Bristol, Rhode Island, IYRS offers advanced technical training in boatbuilding and restoration, marine systems, and composites technology. All classes are taught by industry experts.

- Business Development

John H. Chafee Center for International Business at Bryant University (includes RI Export Assistance Center)

Provides services (global market research, corporate training, strategic consulting) for businesses to expand into international markets

- International Trade
- Finance
- PTAC
- Business Development
- Communications and Marketing

Leadership Rhode Island

A nationally recognized community leadership development organization, founded in 1981, whose mission is to provide leaders and emerging leaders with knowledge and access to resources which will enable them to positively affect their communities.

- Small Business Development

Lifespan system

A not-for-profit organization founded in 1994 and affiliated with Brown University's Warren Alpert Medical School, Lifespan is comprised of Rhode Island Hospital, Miriam Hospital, Hasbro Children's Hospital, Rhode Island Hospital's pediatric division, Bradley Hospital, and Newport Hospital. Lifespan is overseen by a board of volunteer community leaders who seek to improve the health status of the people it serves in Rhode Island and New England through the provision of customer friendly, geographically accessible and high value services.

- STAC

Local Initiatives Support Corporation (LISC)

Mobilizes corporate, government, and philanthropic support to invest in locally defined community development projects. LISC's mission is to transform distressed neighborhoods into resilient and sustainable communities through the use of loans, grants, and equity investments; training and technical assistance; and policy support. Strategies include investing in real estate, increasing family income & wealth, stimulating economic development, improving access to quality education, and supporting healthy environments and lifestyles.

- Small Business Development
- Finance
- Broadband

Lt. Governors Small Business Advocacy Council

Created by RI General Law 42-91 and consisting of the Lt. Governor, 9 key government officials, and 10 members of the public involved in running small businesses, the Council develops recommendations for executive and legislative action that are necessary for the viability

of Rhode Island's small businesses. Issues include: creation of jobs; status of women and minorities as small business owners; state and local government departments' rules and regulations pertaining to small businesses; communication of state and federal program information that would provide assistance to small businesses; dialogue between government and small businesses; the cost of health care on small businesses; and taxation pertaining to small businesses.

- Regulatory Reform
- Finance
- Small Business Development

**Minority Investment Development Corporation

- Finance
- Small Business Development

Narragansett Bay Commission

Maintains a leadership role in the protection and enhancement of water quality in Narragansett Bay and its tributaries by providing safe and reliable wastewater collection and treatment services to its customers at a reasonable cost. The Commission is governed by a 19-member Board, which is appointed by mayors, administrators of municipalities within its service area, and the Governor. The Board ensures a balanced budget for the Commission and approves contracts.

- Regulatory Reform
- REF
- Technical Manager

National Contract Managers Association (NCMA), RI Chapter

Representing and leading the contract management profession, NCMA's vision is that enterprises will succeed through improved buyer-seller relationships based on common values, practices, and professional standards.

- Business Development
- PTAC

National Defense Industry Association (NDIA) New England Chapter

Promotes national security by providing a legal and ethical forum for the exchange of information between industry and government on national security issues. NDIA is made up representatives from government and industry and fosters the development of innovative equipment, training and support for service members and first responders.

- Business Development
- PTAC

National Telecommunications and Information Administration (NTIA)

The federal executive branch agency that is principally responsible for advising the President on telecommunications and information policy issues. NTIA's programs and policymaking focus largely on expanding broadband Internet access and adoption in America, expanding the use of spectrum by all users, and ensuring that the Internet remains an engine for continued innovation and economic growth.

- Broadband

*National Tooling & Machine Association - RI & SE Mass Chapter

The Association conducts regular monthly meetings which offer contract shop owners a forum to discuss both management and technical questions which confront them on a daily basis.

Navigant Credit Union in Central Falls

Navigant's mission is to improve the financial lives and financial well-being of its members, which include families, businesses, and communities.

- Small Business Development
- Finance

Naval Facilities Engineering Command (NAVFAC)

- PTAC

Naval Sea Systems command (NAVSEA)/Newport - Undersea Warfare Division

With a force of 60,000 civilian, military, and contract support personnel, NAVSEA engineers, builds, buys, and maintains the Navy's ships and submarines and their combat systems. They operate the Navy's full-spectrum research, development, test and evaluation, engineering, and Fleet support center for submarines, autonomous underwater systems, and offensive and defensive weapon systems associated with undersea warfare and related areas of homeland security and national defense.

- STAC
- PTAC
- Business Development

NeighborWorks Blackstone River Valley

A community development corporation that works with residents, businesses, and neighborhood institutions to enrich neighborhood life; NWBRV seeks to make safe, sustainable, affordable housing opportunities available throughout Northern Rhode Island.

- Small Business Development
- Finance
- Broadband

New Commons

New Commons is a new kind of think tank that helps clients move from thought to action by assisting them in building a network with the right capabilities, ensuring that their plan meets current and emergent conditions, and mobilizing their network to get the job done.

- Research
- Finance
- Broadband

New England Clean Energy Council

The Council's mission is to accelerate New England's clean energy economy to global leadership by building an active community of stakeholders and a world-class cluster of clean energy companies. The Council represents close to 400 member and affiliate member organizations, including clean energy companies, venture investors, major financial institutions, universities, industry associations, utilities, labor and large commercial end-users.

- REF

New England Council

A non-partisan organization working with both Republican and Democratic federal policy makers, the Council identifies and supports federal public policies and articulates the voice of its membership regionally and nationally on important issues facing New England. The Council is made up of large and small businesses and organizations in all six New England states, representing a wide variety of industries and sectors (including energy, financial services, health care, higher education, technology, telecommunications, and transportation).

- Regulatory Reform
- Business Development

New Harbor Group

A full-service marketing communications agency located in Providence, Rhode Island

- Communications and Marketing

Northeastern Economic Developers Association

An economic development organization that provides education, resources, advocacy, and networking opportunities for its members.

- Business Development

Ocean State Business Development Authority

A certified development company based in Providence, OSBDA is licensed and regulated by the U.S. Small Business Administration to make 504 loans in this region for the purpose of job creation. Their role is to help small businesses access long-term fixed-asset financing in

partnership with the private sector, usually a financial institution. The authority processes, closes and services the loans.

- Finance
- Communications and Marketing

Ocean State Consortium of Advanced Resources

Using the state's unique physical, natural, and human resources, scholars and entrepreneurs come together in Rhode Island to solve problems that no one could tackle alone.

Ocean State Higher Education Economic Development and Administrative Network (OSHEAN)

Founded in 1999, OSHEAN is a non-profit coalition whose membership includes all higher education institutions in Rhode Island, some state government agencies, six health care organizations, five institutions of higher education in Massachusetts and K-12 schools and public libraries. The Network's goal is to build a collaborative communications infrastructure that will serve its member institutions and their communities related to workforce development initiatives and economic development efforts.

- Broadband

Office of Energy Resources (RIOER)

This government agency works to promote energy efficiency and renewable energy in the State of Rhode Island. The Office offers programs to assist residents, businesses, cities and towns, and institutions with their energy needs. It also seeks to secure the state's energy independence.

- REF

Office of Library and Information Services (OLIS)

The state library agency for Rhode Island, OLIS supports and strengthens library and information services in the state to ensure that all residents will benefit from free and convenient access to library and information resources and services, including online government information for state agencies and the public.

- Broadband

Opportunities Industrial Center of Rhode Island, Inc.

Rhode Island's chapter of OIC of America, Inc., a non-profit organization, which seeks to provide services to underserved urban populations through the strategic planning and collaboration of public and private sectors and community-based organizations. OIC's Center for the New Economy serves as the connection between the State's urban underserved populations, the emerging knowledge, energy and green economy, and the employment and minority business opportunities in the State of Rhode Island. Built on a self-help philosophy, the Center provides state of the art technologies and highly committed staff support professionals to build essential skills sets, employment opportunities, and business capacity.

- Small Business Development
- Finance
- Broadband

Pawtucket Citizens Development Corporation

A non-profit, community development corporation that improves housing and strengthens neighborhoods throughout the local community.

- Small Business Development
- Finance

Pawtucket Foundation

The Pawtucket Foundation is a 501 (c) (3) charity representing the business and not-for-profit sector as an advocate and catalyst for downtown, riverfront and transportation gateway enhancements within the City of Pawtucket. Funded by member contributions, private grants, and fundraising events, the Foundation seeks to foster a vision of the community's future by mobilizing and coordinating research, information, talent and resources to positively impact the City.

- Small Business Development

Pont Group

An international public relations and marketing agency specializing in economic development, inward investment, trade and macrotourism. Founded by economic development specialists, it is the Pont Group's belief that niche expertise delivers unparalleled results for clients.

- Tourism
- Communications and Marketing

Port of Galilee Task Force

The Task Force's goal is to enhance the long-term viability of the commercial fishing industry in the Port of Galilee. The task force makes recommendations to strengthen and harmonize the effort, authority, accountability, and regulation among all players regulating development and project approvals for the Port's commercial fishing industry.

- Technical Manager

Progreso Latino - Economic Development Center (PLEDC)

A non-profit organization that seeks to improve the well-being and civic responsibility of the immigrant community in Rhode Island through motivation and support.

- Finance
- Broadband
- Small Business Development

Propeller Club of the US, Narragansett Bay Chapter

The chapter of the International Propeller Club covering the area from Cape Cod to the Rhode Island/Connecticut border, the Club is comprised of members from many related maritime industries. Its aim is to promote and support a merchant marine and maritime industry by aiding inland waterway and harbor improvements, collaborating with organizations whose members promote the best interests of the industries, and maintaining public relations among exporters, importers, and the general public.

- Business Development

Providence Economic Development Partnership (PEDP)

The economic development policy-making body of the City of Providence, PEDP's philosophy is to grow and nourish its neighborhood-based businesses and existing manufacturers through programs, partnerships and technical support.

- Finance
- Small Business Development
- STAC
- Business Development

Providence Emergency Management Agency (PEMA)

This agency is charged with protecting the community by coordinating and integrating all activities necessary to build, sustain and improve the capability to mitigate against, prepare for, respond to, and recover from threatened or actual natural disasters, acts of terrorism or other man-made disasters.

- Business Development

Providence Foundation

The Providence Foundation is a private sector, not-for-profit organization. It is supported by 110 of the leading companies and institutions in Rhode Island, and is an affiliate of the Greater Providence Chamber of Commerce. The Foundation has been working for more than 35 years to revitalize downtown Providence and create a success story that will provide long term economic and social benefits to the citizens of Rhode Island.

- Communications and Marketing

Public Utilities Commission

A quasi-judicial tribunal that holds investigations and hearings involving the rates, tariffs, tolls, and charges, and the sufficiency and reasonableness of facilities and accommodations of railroad, ferry boats, gas, electric distribution, water, telephone, telegraph, and pipeline public utilities, the location of railroad depots and stations, and the control of grade crossings. It also deals in the revocation, suspension or alteration of certificates issued, as well as handling appeals, petitions,

and proceedings. In addition, the Commission's chair exercises jurisdiction over the siting of major energy facilities through participation in the Energy Facility Siting Board.

- Regulatory Reform
- Broadband

Quonset Development Corporation

A subsidiary of the Economic Development Corporation, QDC manages the Quonset Business Park in accordance with the QDC Master Land Use and Development Plan and in the best interests of the citizens of Rhode Island to attract and retain successful businesses that provide diverse employment opportunities.

- Finance
- Business Development
- Communications and Marketing
- Technical Manager

Regional Tourism Councils – statewide

- Tourism
- Communications and Marketing

RI Airport Corporation

Formed in 1992, RIAC is a semiautonomous subsidiary of RI Economic Development Corporation which operates and maintains the state's airport system. The powers of the corporation are vested in its seven-member board of directors, six of whom are appointed by the governor, and one member appointed by the mayor of the City of Warwick. The Rhode Island Airport Corporation is responsible for the design, construction, operation and maintenance of the six state-owned airports; and the supervision of all civil airports, landing areas, navigation facilities, air schools, and flying clubs.

- Finance
- Tourism
- Business Development
- Communications and Marketing
- Technical Manager

RI Bays, Rivers, and Watersheds Coordination Team

A state interagency commission dedicated to the protection, management, restoration and sustainable development of Rhode Island's fresh and marine waters and watersheds. The Team conducts interagency planning, fosters coordination of government programs and partnerships, and makes investments in science, monitoring, policy analysis, and the pursuit of strategic projects in support of aquatic environments and their human uses. Membership consists of the senior executive leaders of 7 state agencies, including EDC.

- Technical Manager
- Business Development

RI Builders Association

Established in 1945, RIBA is a not-for-profit organization addressing the shelter needs of the community and representing the shelter industry to lawmakers, regulators, and the public. It is comprised of home builders, remodelers, lenders, suppliers, real-estate professionals, and others in the building industry. RIAC seeks to support the building industry's effort to enhance the economic growth and quality of life in Rhode Island.

- Regulatory Reform
- PTAC
- Technical Manager

RI Business Plan Competition

Founded in 2000 and supported by private businesses, colleges and universities, public entities, and nonprofit organizations, the Competition aims to further develop the entrepreneurial spirit in Rhode Island and help create growth companies that will increase local employment. The Competition encourages plans for new businesses, as well as from early stage companies.

- STAC
- Business Development

*RI Center for Agriculture Promotion & Education

An independent non-profit 501(c) (3) organization that provides resources and services to farmers, gardeners, agricultural professionals, educators, chefs and business and community leaders dedicated to sustaining agriculture and agriculture education.

*Rhode Island Center for Innovation and Entrepreneurship

A state-wide hub to connect, educate and accelerate entrepreneurs in areas such as life sciences, technology, design, engineering and the environment. Brown University is currently seeking new partners and is looking to broaden the CIE's scope.

RI cities and towns - 39 statewide

- Regulatory Reform
- Finance
- Small Business Development
- REF
- Business Development
- Communications and Marketing
- Technical Manager

RI Centers of Excellence for Biomedical Research (COBRE)

An initiative whose objective is to strengthen an institution's biomedical research infrastructure through the establishment of a thematic multi-disciplinary center, and to enhance the ability of investigators to compete independently for complementary National Institutes of Health individual research grants or other external peer-reviewed support. COBRE awards are supported through the IDeA Program, which aims to foster health-related research by increasing the competitiveness of investigators at institutions located in states with historically low aggregate success rates for grant awards from the NIH.

- STAC

RI Department of Administration

- Regulatory Reform
- Finance
- Broadband
- PTAC
- Technical Manager

RI Department of Business Regulation

- Communications and Marketing
- Regulatory Reform
- Finance

RI Department of Children, Youth & Families

- Regulatory Reform

RI Department of Education

(Race to the Top Steering Committee)

Engages a variety of stakeholders in providing an independent perspective on the implementation of Rhode Island's Race to the Top plan and making recommendations for improvement. The Committee issues a yearly progress report that is meant to be easily understood by all Rhode Islanders.

(RI State Leadership Team for Next Generation Science Standards)

The Team's vision is that all students, over multiple years of school, actively engage in science and engineering practices and apply crosscutting concepts to deepen their understanding of the core ideas in these fields.

- STAC
- Regulatory Reform
- Broadband

RI Department of Environmental Management

- Communications and Marketing
- Regulatory Reform
- REF
- Tourism
- Technical Manager
- Business Development

RI Department of Health

- Regulatory Reform
- Small Business Development

RI Department of Information Technology (DoIT)

Enables State government to meet its goals effectively and efficiently by providing leadership in the application of information technology and delivering secure, innovative, and reliable technology solutions in the most responsive and effective manner; and continually addresses the ever changing information technology landscape to improve access to information, to stimulate business activity and to ultimately address the needs of all Rhode Island citizens.

- Broadband

RI Department of Labor & Training (see also: Governor's Workforce Board)

- Business Development
- Regulatory Reform
- Finance
- Broadband
- Small Business Development
- International Trade
- Communications and Marketing

RI Department of Transportation

- Regulatory Reform
- Finance
- Small Business Development
- Business Development
- Communications and Marketing
- Technical Manager

RI Division of Motor Vehicles

- Regulatory Reform

RI Division of Planning, RIGIS Coordinator (see also: URI Environmental Data Center)

RIGIS is a consortium of government and private organizations employing computer and communications technology to manage and use a collective database of comprehensive geographically related information. The mission of the RIGIS is to monitor, coordinate, and provide leadership for activities related to the use of GIS technology within Rhode Island, to support initiatives to implement or use the technology, and to manage and provide access to a common database of geographically referenced information.

- Broadband
- Finance

RI Division of Taxation

- Regulatory Reform
- Small Business Development
- STAC
- Tourism
- Business Development
- International Trade

RI Emergency Management Agency (RIEMA)

- Broadband
- Business Development

RI Experimental Program to Stimulate Competitive Research (EPSCoR)

A mechanism founded by the National Science Foundation, EPSCoR provides a platform to promote collaboration and cooperation among Rhode Island's institutions of higher education and to enable alignment of the Program's efforts with the needs of the state to increase research competitiveness, especially in marine life science and affiliated sciences. EPSCoR's community of scholars and trained workforce contribute to understanding how human actions affect the environment. This will provide information to colleagues in the humanities, policy, law, technology, and engineering who craft what actions need to be taken to sustain a healthy environment.

- STAC

RI First VEX Robotics

Based in New Hampshire, FIRST is a 501(c)(3) not-for-profit organization founded in 1989 that is devoted to helping young people discover and develop a passion for science, engineering, technology, and math. The program engages young people in mentor-based programs that build science, engineering and technology skills, that inspire innovation, and that foster well-rounded life capabilities including self-confidence, communication, and leadership.

- STAC

RI Food Policy Council

The Rhode Island Food Policy Council's work will be coordinated by a statewide collaboration of diverse, committed, and engaged stakeholders from all sectors of the food system. The Food Policy Council will create partnerships, develop policies, and advocate for improvements to the local food system to increase and expand its capacity, viability, and sustainability.

- Small Business Development

RI Foundation

The Rhode Island Foundation is a community and philanthropic leader dedicated to meeting the needs of the people of Rhode Island by actively inspiring philanthropy and increasing permanent resources for the state of Rhode Island; creating maximum positive impact through grant making and other investments; providing leadership and a forum for dialogue on critical community issues; collaborating with individual, business, government and community partners to catalyze positive change; and developing solutions to longstanding challenges.

- STAC
- Finance

RI Hospitality Association/RI Hospitality Education Foundation

The official trade group of the foodservice, lodging, restaurant, and tourism industries, the Association's mission is to advocate for and to develop and provide programs, services, support and education to members of the hospitality industry. The Foundation, a non-profit Rhode Island corporation reliant on its partnership with vocational schools and colleges, was formed for the purpose of encouraging persons embarked in a career in the foodservice or hospitality industries in Rhode Island through the use of scholarships, grants, and endowments in conjunction with course curriculum.

- Communications and Marketing
- Tourism

RI Housing

Created by the General Assembly in 1973, Rhode Island Housing is a privately funded public purpose corporation that strives to ensure that all people who live or work in Rhode Island can afford a healthy, attractive home that meets their needs. They do this by lending; educating consumers and others; promoting development that builds communities; and providing grants and subsidies to those with the greatest need.

- Small Business Development
- Finance
- Broadband
- Technical Manager

RI Network of Biomedical Research located at URI Pharmacy School (INBRE) (see also: RI Centers of Excellence for Biomedical Research)

Designed to provide funding for research capacity building in states that have not participated fully in the research programs of the NIH. the Network exists to facilitate an increase in the number of junior investigators competing for research grants from the NIH and other funding agencies; to increase the number of students being trained for careers in the biomedical sciences; and to provide access to instrumentation and bioinformatics core facilities for conducting cutting-edge research. The research foci of the Program are: molecular toxicology, cell biology, and the behavioral sciences.

- STAC

RI Industrial Facilities Corporation (RIIFC)

Established in 1967 as a subsidiary of the Economic Development Corporation, RIIFC is a public body corporate and agency of the state for the purposes of acquiring, constructing, financing, and leasing projects. The Corporation fulfills a need for the further development of industrial and recreational facilities within the state. The Corporation issues both tax exempt and taxable bonds.

- Finance
- Communications and Marketing

RI Industrial-Recreational Building Authority (IRBA)

IRBA was created as a subsidiary of the Economic Development Corporation to encourage the making of mortgage loans for the purpose of furthering industrial expansion in the state. IRBA offers mortgage insurance on tax-free bonds, taxable bonds, and conventional mortgages through the RI Economic Development Corporation.

- Finance
- Communications and Marketing

RI Manufacturers Extension Services (RIMES)

A non-profit organization that helps Rhode Island manufacturers of all sizes and industries succeed and prosper. Funded in part through the National Institute of Standards and Technology, Manufacturing Extension Partnership (NIST MEP), RIMES' mission is to sustain quality manufacturing in Rhode Island in an increasingly competitive marketplace by helping solve business problems.

- Finance
- STAC
- PTAC
- Business Development
- International Trade
- Communications and Marketing

RI Marine Trade Association

Founded in 1964, the Rhode Island Marine Trades Association represents all aspects of the marine industry. Its member companies and organizations are dedicated to the growth in recreational boating and the creation of jobs for the industry. They do so by promoting cooperation among persons engaged in the marine industry; exchanging trade information; promoting marine industry activities and facilities; opposing adverse legislation; working with organizations that provide better and safer boating in Rhode Island waters; and offering assistance to boat owners.

- International Trade
- Communications and Marketing
- Business Development

**RI Microenterprise Association, Inc

- Tourism

RI Minority Business Enterprise Office

A program that promotes the State's policy of supporting the fullest possible participation of firms owned and controlled by minorities and women in state-funded and state-directed public construction programs and projects, and in State purchases of goods and services. The program provides assistance to MBEs throughout the life of their contracts with the State.

- Finance
- Small Business Development

RI Monthly

Rhode Island's leading full-service publisher of magazines and specialty publications, including custom publishing projects. Products include several lifestyle and tourism publications serving residents of – and visitors to – Rhode Island and Southeastern Massachusetts.

- Tourism

RI Office of Budget and Management

- Regulatory Reform
- Technical Manager

RI Renewable Energy Siting Partnership

- REF

RI Rivers Council (an associated function of the RI Water Resources Board at the Division of Planning)

Created by General Assembly statute to coordinate, oversee, and review efforts to improve and preserve the quality of the state's rivers and other water bodies and to develop plans to increase river use. The Council is charged with coordinating state policies to protect rivers and watersheds and strengthening local watershed councils as partners in river and watershed protection.

- Technical Manager

RI Rural Development Council

The Council was created in 1998 by the General Assembly, to improve the quality of life in rural Rhode Island, while preserving the characteristics which give rural communities their unique sense of place. In 2004, The Council became a 501(c)3 non-profit organization.

- Technical Manager

RI Secretary of State

- Regulatory Reform
- Finance
- Small Business Development
- Communications and Marketing

RI Small Business Development Center (RISBDC) at JWU

In its mission of promoting economic development, the Center helps entrepreneurs (primarily existing businesses) gain resources to create, transform, strengthen, and grow their businesses. Services include broad-based and high-quality, cost-free one-on-one counseling and low-cost group educational services; and assistance in connecting university, government, banking, private sector and other community-based resources for the purpose of supporting small businesses.

- Finance
- Small Business Development
- STAC
- PTAC
- International Trade
- Communications and Marketing

RI Small Business Journal

Helps to spark economic growth by providing guidance and resources to small businesses throughout the state. Services include distributing a free monthly publication; developing workshops presented by local entrepreneurial leaders; and connecting people through networking events, grand openings, and discussion forums.

- Small Business Development
- Broadband

RI Small Business Loan Fund Corporation (SBLF)

A subsidiary of EDC that provides financing for smaller businesses looking for direct, fully-secured loans. Program funds can be used for acquisition and improvements of land, buildings and equipment, new construction, and working capital.

- Finance
- Small Business Development
- Communications and Marketing

RI Small Business Recovery Program

This comprehensive, zero-cost business training program was collaboratively created by a group of local leaders in order to move Rhode Islanders from unemployment to self-employment and to increase the probability of success for existing businesses. In addition, the Program was designed to build a statewide cooperative and collaborative initiative that will continue to work together to bring long-term success to the Rhode Island small business community.

- Small Business Development

RI Statewide Planning Program (at the Division of Planning)

The Statewide Planning Program, established by the General Laws, is charged with preparing and maintaining plans for the physical, economic, and social development of the state; encouraging their implementation; and coordinating the actions of state, local and federal agencies and private individuals within the framework of the state's development goals and policies.

- Broadband
- Small Business Development
- REF
- Business Development
- Technical Manager

RI State Technical Committee

Provides information, analysis and recommendations on a wide variety of policy issues to the Natural Resources Conservation Service. Although the Committee does not have implementation or enforcement authority, its recommendations are given strong consideration by the USDA.

- Technical Manager

RI Turnpike & Bridge Authority (RITBA)

Created in 1954 by the General Assembly as a body corporate and politic with the power to construct, acquire, maintain and operate bridge projects. The mission of RITBA is to facilitate vehicular traffic over Rhode Island's bridges; toll revenues provide essential capital formation

funding streams, which meet RITBA bond obligations for long-term transportation capital improvement programs.

- Business Development
- Tourism

RI universities, colleges & technical schools – statewide

- Regulatory Reform
- STAC (all RI colleges and universities)
- Business Development (Roger Williams University, URI)
- Communications and Marketing (Brown University)
- Broadband (University of Rhode Island)
- REF (URI)
- Research (URI, Bryant University)
- Tourism (Johnson and Wales)
- International Trade (Bryant)
- Small Business Development

RI Water Resources Board/RI Water Resources Board Corporate (at the Division of Planning)

Established by the General Assembly, the Boards support the proper development, protection, conservation and use of the state's water resources while providing for economic development and protection for the environment.

- Technical Manager

RiverzEdge Arts Project

A social enterprise that provides talented underserved teens hands-on work experience in graphic design, digital photography, screen-printing and visual arts.

- Small Business Development
- Finance
- Broadband

Sail Newport, Inc.

Founded in 1983, Sail Newport is a non-profit 501 (C) (3) organization that is home to New England's largest public sailing center. Its mission is to promote and operate affordable public sailing instruction and rental programs, and to create opportunities to attract new sailors to the sport.

- Communications and Marketing
- Business Development

Seafood Marketing Collaborative

Established by the Rhode Island General Assembly in 2011, the objective of the Collaborative is to support local fishermen and small businesses and to increase awareness and consumption by the public of locally fished species.

- Technical Manager

Shechtman Halperin Savage, LLP

A full-service regional law firm with fully staffed offices in Rhode Island, Massachusetts, and New York.

- Communications and Marketing

SCORE

Rhode Island SCORE is one of the 364 Chapters of the national SCORE organization that operate under the auspices of the Small Business Administration. The RI team consists of more than 39 seasoned business counselors. SCORE's mission as volunteers is to share its cross-industry expertise to mentor the small companies of Rhode Island and surrounding region in the best practices of all facets of business management.

- Small Business Development

Slater Technology Fund

A state-backed venture capital fund that provides seed funding to promising entrepreneurs and their emerging technology ventures in Rhode Island. Slater's primary focus is on the *support of entrepreneurs* who have the vision, leadership and commitment to build substantial technology-based business enterprises based in the state. In its attempt to accelerate the creation of a significant number of high-value, high-wage jobs in Rhode Island's Knowledge Economy, it focuses primarily on industry sectors best-suited to developing an innovation-based economy, including Life Sciences; Software, Internet and Media; and Energy and Environmental Technology. Slater typically invests at the inception stage in the development of a new venture, often based upon ideas and technologies originating in academic institutions, government research laboratories or commercial enterprises located within the region.

- STAC
- Finance
- Business Development
- Communications and Marketing

Smaller Business Association of New England (SBANE)

Founded in 1938, the Foundation is a private not-for-profit association of approximately 700 member companies located throughout the six-state region. SBANE was established to provide a legislative voice for small business at the state and federal levels and to make practical

information available to help business owners grow their companies. SBANE runs diverse, educational programs each year and has active chapters in Massachusetts and Rhode Island.

- Regulatory Reform
- Finance
- PTAC

Social Venture Partners Rhode Island

A partnership of engaged entrepreneurs, thought leaders, and social investors from the business, non-profit, academic and government sectors who provide a social, intellectual, and financial support system to develop social enterprises that use market dynamics and business principles to improve community and society. Social enterprises are mission-driven initiatives that apply market-based strategies and entrepreneurship to maximize social impact. SVPRI leverages cross-sector collaboration and serves a spectrum of social enterprises from start-up to scale through connecting the social enterprise community; providing leveraged funding; aggregating and disseminating intellectual capital; providing mentoring and consulting; and responding to the evolving needs of the social enterprise community. The partnership quickly researches local needs (of both the community overall and specific social enterprises) then develops, prototypes, and perfects innovative programs that inspire, start, grow, and sustain successful social enterprises.

- Research
- Finance
- Broadband
- Small Business Development

Southeastern New England Defense Industry Alliance (SENEDIA)

SENEDIA identifies, champions, and coordinates issues that contribute to national security through the following efforts: advocating policies and legislative initiatives which will positively affect the welfare of Southeastern New England Defense and Homeland Security organizations and the SENEDIA contractor members that support those organizations; representing these organizations' positions and needs; enhancing relationships between communities, elected representatives, and federal defense and security organizations; and informing and educating the citizens of Southeastern New England of the economic impact of the presence these federal organizations have.

- Business Development
- PTAC
- International Trade

Startup Rhode Island

The Rhode Island branch of the Startup America Partnership, an organization that has three goals: 1) Provide valuable resources and connections to help young companies grow; 2)

Support regional startup ecosystems throughout the country; and 3) Recognize startups as the drivers of our economy and their founders as American heroes.

- Small Business Development

State Fire Marshall

- Regulatory Reform

State Fusion Center

Under the command of a Rhode Island State Police Lieutenant, the Center's mission is to facilitate the efficient, timely, and accurate exchange of information between local, state, and federal public safety agencies and private sector organizations. The Center is staffed by four intelligence analysts, an intelligence officer from the Department of Homeland Security, and sworn members of the Rhode Island State Police. It was established to investigate potential terrorist activity, as well as to facilitate the dissemination of the intelligence information to local, state, and federal law enforcement agencies. The scope of the Fusion Center has expanded to include the investigation of all criminal activity.

- Business Development

State International Development Organizations (SIDO)

A non-profit, nonpartisan organization affiliated with the Council of State Governments, and the only national organization focused exclusively on state international trade development, SIDO helps state international trade agencies better serve American exporters by sharing innovative ideas and resources. SIDO develops the skills of state trade professionals, advocating the interests of states in trade promotion, and facilitating multi-state collaboration; it also provides state trade promotion professionals with a forum for collaboration and sharing best practices as well as advocates for states' international trade development issues so that U.S. companies remain globally competitive.

- International Trade

Surplus Navy Land/Newport County Chamber of Commerce

In 2010 Naval Station Newport announced that it would release for reuse or "surplus" five of its properties, comprising 225 acres, on Aquidneck Island's west side. It was necessary for this surplus land to abide by the Base Realignment and Closure Act, which requires the base and neighboring communities to engage in a planning process that involves homeless service providers, non-profit organizations, public entities, federal agencies, and the general public. The Aquidneck Island Reuse Planning Authority filled the role of a local redevelopment authority for the preparation of this plan.

- Business Development
- Technical Manager

Team New England

An advisor regarding business opportunities in the New England region. In addition to providing “one-stop” shopping for important information about the region, the Team serves as businesses’ sole point of contact for all six states and, when appropriate, acts as a conduit between individual state officials, economic development agencies, business site selectors, and private enterprise.

- Business Development

Rhode Island Quality Institute

A group of high-level executives from every constituency of health care, compiled by then Attorney General Sheldon Whitehouse in 2001 to help transform the state’s health care system. Their goals included collaborative innovation; connectivity between and among the health care team and the patient; increased accuracy, responsiveness, and effectiveness in health care; using technology to standardize and streamline patient data; delivering care based on best-known practices; and creating a system that inspires and rewards improved professional performance.

- Regulatory Reform

Tech Collective

Tech Collective is the technology industry association of Rhode Island. They are an Industry Partner with the Governor's Workforce Board of Rhode Island for the Information Technology and Bioscience industries. A 501(c)3 non-profit organization, they derive their funding from membership, fundraising and grant awards. Tech Collective’s mission is to inspire, engage, educate and employ a growing technological and Knowledge Economy in Rhode Island through the following: uniting industry, government and education; raising technology awareness and participation; cultivating existing and emerging IT and Bioscience sectors; growing the economy through a high-skill, high-wage workforce pipeline with ample employment opportunities; developing people personally and professionally; and promoting strong, proactive, collaborative and leadership-driven technology industries. They work toward this mission through a driven focus on Workforce and Industry Development.

- Finance

Tourism offices from the other New England states

- Tourism

Transportation Advisory Committee

Established by the State Planning Council (SPC) in 1994 and comprised of 6 local officials, 5 state agencies, 10 organizations representing a variety of transportation interests, 4 citizens from different areas of the state, and the Narragansett Indian Tribe, the Committee advises the SPC on transportation planning and encourages public involvement in the process. The Committee also reviews and provides input into the transportation planning documents that are the responsibility of the SPC.

- Technical Manager

United Way

United Way Worldwide is the leadership and support organization for the network of nearly 1,800 community-based United Ways in 40 countries and territories. They advance the common good by focusing on improving education, helping people achieve financial stability, and promoting healthy lives, and by mobilizing millions of people to give, advocate, and volunteer to improve the conditions in which they live.

- Broadband
- Small Business Development
- Finance

Urban Equity Incubator a.k.a Urban Ventures Program

Formed in 1999 as a non-profit 501 (c)(3) organization under the urban economic development agenda in Rhode Island, Urban Ventures provides non-employer firms, micro-entrepreneurs and micro-businesses with business development assistance. The program is committed to providing qualitative assistance to companies at the neighborhood level in a manner that is accessible to mid/low-income residents.

- Finance
- Broadband
- Small Business Development

URI Center of Excellence in Undersea Technology (CoEUT)

The center performs both basic and applied research focused on the design, development, testing, and implementation of a wide variety of undersea technologies that support both military and civilian applications. Research areas include distributed network systems for ocean and sea floor monitoring, ocean sensors and instrumentation, distributed sensor systems, autonomous and remotely operated underwater vehicles, and underwater communication, detection, and classification systems.

- Business Development
- STAC

URI College of Business Administration

As a pioneer in business education, research and outreach for the State of Rhode Island, the College of Business Administration (CBA) is the only institution with accredited programs at the undergraduate, Master's and Ph.D. levels. With its emphasis on innovation and small class sizes, CBA is committed to quality education to prepare the business leaders of tomorrow.

- Research

URI Energy Center

The Center provides a window to the College of the Environment and Life Sciences and Cooperative Extension through which citizens, communities, government agencies and businesses can access research-generated knowledge and obtain assistance to address a broad range of socioeconomic issues. The Center offers a variety of programs and services and also field requests for assistance from College and Cooperative Extension experts. Its current focus areas include horticulture, urban agriculture, and energy.

- REF

URI Environmental Data Center (URI-EDC)

The Environmental Data Center is a geographic information system (GIS) laboratory in the URI Department of Natural Resources Science, College of Environmental and Life Sciences (CELS). The mission of the Center is to support the use of contemporary tools of spatial data processing in the analysis of environmental data. This is achieved through collaborative research with faculty in the Department of Natural Resources Science and projects with agencies external to URI. The EDC is the center of technical expertise in GIS for the state of Rhode Island. The Rhode Island Geographic Information System (RIGIS) database is stored at the Environmental Data Center. The RIGIS database is the most comprehensive and detailed of any state in the country and contains information on almost all aspects of Rhode Island's natural and cultural resources. Major areas of research at the Environmental Data Center are spatial data modeling, ecological mapping, and data integration for environmental applications.

- Broadband

URI Inner Space Center at Graduate School of Oceanography (GSO)

The Inner Space Center, which opened at the University of Rhode Island's Graduate School of Oceanography in 2009, utilizes telepresence technologies to bring oceanographic exploration to the world in real time. Connected to Internet2, the ISC captures, displays, and disseminates high bandwidth streams of video, audio, and data in real time. The ISC also works closely with several partner organizations to develop and support real-time telepresence-enabled exploration projects, disseminate video footage and oceanographic data, and expand educational programming.

- Business Development
- STAC

US Coast Guard, Sector Southeastern New England

Established in 2006 by joining Group Woods Hole and Marine Safety Office Providence, Sector Southeastern New England has eight Stations, four Cutters, two Aids to Navigation teams, and two Marine Safety Detachment units. The Sector provides exceptional service to the American public through superior mission planning and execution, readiness, and faithful, honorable stewardship.

- Business Development

- PTAC

US Customs & Border Protection (CBP)

One of the Department of Homeland Security's largest and most complex components, with a priority mission of keeping terrorists and their weapons out of the U.S., CBP also has a responsibility for securing the border and facilitating lawful international trade and travel while enforcing hundreds of U.S. laws and regulations, including immigration and drug laws.

- Business Development
- International Trade

US Department of Commerce/ Providence U.S. Export Assistance Center (Keith Yatsuhashi)

The U.S. Commercial Service of the U.S. Department of Commerce is a federal government agency dedicated to helping small-to-medium sized companies develop international markets. Their staff of International Trade Specialists helps businesses to identify and evaluate international partners, navigate international documentation challenges, create market entry strategies, and provide other export related guidance.

- International Trade
- Finance
- Business Development

US Department of Defense Office of Small Business Programs

- PTAC

US Department of Homeland Security (DHS) – Port Security

DHS' mission is to secure the nation from the many threats it faces. This requires the dedication of more than 240,000 employees in jobs that range from aviation and border security to emergency response, from cybersecurity analysts to chemical facility inspectors. Its duties are wide-ranging and its goal is to keep America safe.

- Business Development
- PTAC
- International Trade

US Department of Labor

Mission is to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

- Business Development

U.S. Economic Development Administration

The Administration leads the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. Its investment policy is designed to establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. This foundation builds upon two key economic drivers - innovation and regional collaboration.

- Technical Manager
- Finance
- Business Development

U.S. Environmental Protection Agency

The mission of the EPA is to protect human health and the environment. When Congress writes an environmental law, the EPA implements it by writing regulations. Often, they set national standards that states and tribes enforce through their own regulations. In addition, the EPA enforces its regulations, and helps companies understand the requirements.

- Technical Manager
- Finance
- STAC

US Foreign Trade Zones Board

Foreign-trade zones are secure areas under supervision of U.S. Customs and Border Protection (CBP) that are considered outside the customs territory of the United States for the purposes of duty payment. Authority for establishing these facilities is granted by the Foreign-Trade Zones Board (the Secretary of Commerce and the Secretary of the Treasury) under the Foreign-Trade Zones Act of 1934. The Executive Secretariat of the Board is located within the Import Administration of the U.S. Department of Commerce.

- Business Development

US Small Business Administration

Created in 1953 as an independent agency of the federal government, the SBA helps Americans start, build, and grow businesses. It aids, counsels, assists and protects the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of the nation. The SBA recognizes that small business is critical to economic recovery and strength, to building America's future, and to helping the United States compete in the global marketplace.

- PTAC
- Finance
- Small Business Development
- STAC
- International Trade

- Communications and Marketing

US Travel Association

A unique national organization that leverages the collective strength of those who benefit from travel to grow their business beyond what they can do individually. The Association assists members with programs and platforms to help promote travel to and within the U.S., especially through International Pow Wow, the pre-eminent international trade show bringing travel to America. They also lead industry-wide initiatives to grow and sustain travel and ensure the freedom to travel. They provide industry-leading economic data, information, analysis and travel trends to benefit our members and support industry efforts involving advocacy and promotion.

- Tourism

WarRoom Document Solutions

A litigation support provider

- Communications and Marketing

We Mean Business/First Stop Business Information Center

We Mean Business is a joint venture of Secretary of State A. Ralph Mollis' Business Information Center and Every Company Counts, an initiative of the Rhode Island Economic Development Corporation. The mission of We Mean Business is to connect Rhode Island business owners with local, state and federal agencies as well as the non-profit resources that impact their business. This collaboration presents a unique opportunity for entrepreneurs to discuss issues that impact their business and to get the information they will need to start, grow or improve their business experience in Rhode Island.

Workforce Partnership of Greater Rhode Island

One of two state Workforce Investment Boards charged with partnering with local industries to increase labor and training initiatives within the state. WPGRI collaborates with business, labor, education leaders and community-based organizations to establish a dynamic, outcome driven, visible resource providing measurable and comprehensive market-driven based employment and training services. These services include the provision of information, technical assistance and life-long training opportunities to customers.

- Business Development

Workforce Solutions of Providence/Cranston

Workforce Solutions of Providence/Cranston receives federal and state funds to support local employment and training programs for residents and businesses in the cities of Providence and Cranston. It is directed by the Providence Cranston Workforce Investment Board, a business led board appointed by the Mayor of Providence.

- Business Development

World Trade Center RI (at the John H. Chafee Center for International Business)

The World Trade Center Rhode Island (WTCRI) is a partnership between the State of Rhode Island and Bryant University's Chafee Center for International Business. Through membership, businesses gain access to a worldwide network of companies and individuals in both the public and private sector. This network provides access to business, academic, governmental and cultural relationships and opportunities.

- International Trade

** indicates entry on RIPEC's original list of external partners but not adopted by any of EDC's employees in their list of external partners*

***indicates no longer in existence, or could not be found*

National Comparison of Economic Development Organizations

California	CA Governor's Office of Business and Economic Development	The Governor's Office of Business and Economic Development (GO-Biz) was created by Governor Edmund G. Brown Jr. to serve as California's single point of contact for economic development and job creation efforts. GO-Biz offers a range of services to business owners including attraction, retention and expansion services, site selection, permit streamlining, clearing of regulatory hurdles, small business assistance, international trade development, assistance with state government, and much more.		
Colorado	CO Office of Economic Development and Trade	This office is a division of the Colorado Governor's Office. The Executive Director was formerly the Governor's Chief Legal Counsel. He is a member of the Governor's Cabinet.	There is also the Colorado EDC: The Colorado Economic Development Commission (EDC) was created in 1987 by the legislature to promote economic development in Colorado. The Commission includes four members appointed by the governor (at least one person from west of the continental divide and one person from the eastern slope predominately from the rural area), two members appointed by the Speaker of the House of Representatives, and two members appointed by the President of the Senate.	
Connecticut	Department of Economic and Community Development	The Department of Economic and Community Development is the state's lead agency for the development and implementation of policies, strategies and programs all of which are designed to enhance Connecticut's communities and business and housing environments. DECD staff is composed of highly trained economic and community development professionals who work directly with businesses, developers, housing advocates, community groups and municipalities. They help promote business development, job growth, affordable housing and neighborhood revitalization in the communities they serve. The agency also maintains centralized line support functions that provide technical assistance, engineering, construction and architectural assistance, research data, legal guidance, programmatic support and training and general administrative functions that support the overall operations of the agency.		
Area	State Economic Development Office	Description	Notes	Notes 2
Alabama	Alabama Department of Commerce	Most commonly known as the state agency for economic development, the Alabama Department of Commerce has one mission, to help companies create jobs for the people of Alabama. The Department of Commerce is led by Greg Canfield, a member of Governor Robert Bentley's cabinet.		
Alaska	Department of Commerce, Community, and Economic Development	The mission is "promoting a healthy economy and strong communities." The Department has several divisions and agencies, including a division on Economic Development. Other divisions include Community and Regional Affairs; Banking and Securities; Corporations, Business and Professional Licensing; and Insurance. It is led by a Commissioner.		
Arizona	Arizona Commerce Authority	The Arizona Commerce Authority (ACA) is an aggressive new organization that has a laser focus on recruitment of quality companies and jobs for Arizona as well as the expansion of companies already there. The ACA, formerly the Arizona Department of Commerce, has been re-created as a streamlined, business-savvy organization focused on producing results that benefit businesses and the Arizona economy. The ACA is overseen by a new public-private sector board comprised of Arizona leaders in business and policy. The board is overseen by Arizona Governor Jan Brewer.	Replaced the former Dept of Commerce	
Arkansas	Arkansas Economic Development Commission	The Arkansas Economic Development Commission receives direction and guidance from the AEDC Commissioners. The Commission consists of 16 members appointed to four-year terms by the governor. These appointments are made with the advice and consent of the state Senate. At least three members are from each of the four congressional districts and four members are appointed at large. The structure consists of a chairman and vice chairman of the Commission, an executive committee, a technology growth committee and a bond guaranty/small business loan committee that approves the guaranties of amortization payments on Act 9 bonds, as provided for in the Industrial Revenue Bond Guaranty Law.	Governor's Strategic Plan: http://arkansasedo.com/arkansas-edc/the-governors-strategic-plan.aspx	Also have Entergy Arkansas, one of the largest private sector econ dev initiatives in the US

Delaware	Delaware Economic Development Office; Delaware Economic Development Authority	The Director of the DEDO is appointed by the Governor and serves as a Secretary in the Governor's cabinet.	The Delaware Economic Development Authority (the Authority) is a public corporation created pursuant to 29 Del. C. 50, and is empowered by the statute to administer the Delaware Strategic Fund program and other economic development programs of the State of Delaware.	
Florida	Department of Economic Opportunity; Enterprise Florida	The Governor's Executive Director oversees the Division of Strategic Business Development. This division has a partnership with the Florida Secretary of Commerce and Enterprise Florida, which is a public-private partnership serving as Florida's primary organization devoted to statewide economic development. The Executive Director also oversees a COO, which has a secretariat of divisions such as workforce services, finance and administration, info technology, and community technology. In terms of Enterprise Florida, in 1996, Florida became the first state in the country to place principal responsibility for economic development, international trade, research and business image marketing in the hands of a business-government partnership. The move was the result of several years of effort by business and government leaders. Driving the effort was the belief that, with hands-on participation by Florida businesses, Florida could move from its traditional economic drivers of tourism and agriculture to a sophisticated mix of industries and international business. Enterprise Florida is governed by a Board of Directors chaired by Florida's Governor. The board itself consists of top business, economic development and government leaders from throughout Florida. The organization is funded, in part, by the State of Florida as well as by cash and in-kind donations from private business. The organization has a staff of about 60. In addition, Enterprise Florida accomplishes its mission through its network of economic development partners throughout the state and abroad.		
Georgia	Georgia Department of Economic Development (GDEd)	The Georgia Department of Economic Development (GDEd) is the state's sales and marketing arm and lead agency for attracting new business investment, encouraging the expansion of existing industry and small businesses, developing new domestic and international markets, attracting tourists to Georgia, and promoting the state as a location for film, video, music and digital entertainment projects, as well as planning and mobilizing state resources for economic development.		
Hawaii	Dept of Business and Economic Development	The Director of the Department reports directly to the Governor. He/she oversees the Department as well as several other agencies (including the Community Development Authority; the Strategic Development Corporation, etc.). It also has partnerships with other economic development authorities, offices and commissions.		
Idaho	Idaho Dept of Commerce-Economic Development Division; Idaho Department of Labor; Idaho Economic Development Association	The Economic Development division helps create sustainable economic growth by working to retain and expand existing Idaho businesses, increase entrepreneurial activity, and attract new businesses from industries that fit well in Idaho. There are three main segments within the division, Business Development, Community Development, and Business Attraction. The Idaho Economic Development Association is a trade association of economic development professionals and affiliated entities whose purpose it is to enhance and elevate the practice of economic development and to promote sustainable business growth for Idaho's economic vitality and increased standard of living.	Project 66 is a comprehensive initiative to grow Idaho's Gross Domestic Product. Designed in three tiers to strengthen both rural and urban communities, the plan will create quality jobs for all Idahoans by fostering systemic growth, recruiting new companies to Idaho, and selling Idaho's trade and investment opportunities to	
Illinois	IL Dept. of Commerce and Economic Opportunity	The Illinois Department of Commerce and Economic Opportunity raises Illinois' profile as a global business destination and nexus of innovation. It provides a foundation for the economic prosperity of all Illinoisans, through the coordination of business recruitment and retention, infrastructure building and job training efforts, and administration of state and federal grant programs.		
Indiana	Indiana Economic Development Corporation	The IEDC is the state's lead economic development agency. The IEDC was officially established in February 2005 to replace the former Department of Commerce. In order to respond quickly to the needs of businesses, the IEDC operates like a business. Led by Indiana Secretary of Commerce and IEDC Chief Executive Officer Daniel J. Hasler, the IEDC is organized as a public-private partnership governed by a 12-member board. The IEDC Board of Directors is chaired by Governor Mitch Daniels and reflects the geographic and economic diversity of Indiana. The IEDC focuses its efforts on growing and retaining businesses in Indiana and attracting new business to the State. The IEDC is focused exclusively on economic development and has incorporated all state entities with economic development responsibilities into its organizational structure. Daniel J. Hasler (Dan) is the Secretary of Commerce for the State of Indiana and Chief Executive Officer of the Indiana Economic Development Corporation (IEDC). As Secretary of Commerce, Hasler is a member of Governor Mitch Daniels' cabinet and leads the state's economic development efforts.		

Iowa	Iowa Partnership for Economic Progress; Iowa Economic Development Administration (public agency); Iowa Innovation Corporation	Iowa has a three-tiered economic development structure. Iowa has an overarching advisory board. The Iowa Partnership for Economic Progress, which is chaired by the Governor and Lt. Governor, and provides strategic, high-level thinking and vision to the executive team. The second tier, the IEDA, was a state department that recently turned into a quasi-public agency. It is charged with undertaking programs that implement the economic development policy of the state and certain finance programs. IEDA also contracts some work to the private Iowa Innovation Corporation, which is the third tier. The Innovation Corporation sets up the innovation ecosystem by offering loan guarantees on a contractual basis.		
Kansas	Kansas Department of Commerce; Governor's Office of Economic Advisors	Under the leadership of Secretary of Commerce Pat George, the Department comprises a variety of programs and services that create jobs, attract new investment, provide workforce training, encourage community development and promote the state as a wonderful place to live and work. This is accomplished through the department's three divisions: Business and Community Development; Trade Development; Workforce Services. Kansas also has a Governor's Council of Economic Advisors. The council will have three main responsibilities: --Coordinate strategic planning and economic development resources. --Evaluate state policies and agencies performances. --Conduct research on topics such as Kansas' basic industries, tax competitiveness, and regulatory structure.		
Kentucky	Kentucky Cabinet for Economic Development	The Cabinet for Economic Development is the primary state agency in Kentucky responsible for encouraging job creation and retention, and new investment in the state. Programs administered by the Cabinet are designed to support and promote economic development, primarily by attracting new industries to the state, assisting in the expansion of existing industries, leading a statewide network of support for entrepreneurs, small business owners and knowledge-based start-up entities, and assisting communities in preparing for economic development opportunities. By statute, the Cabinet is governed by the Kentucky Economic Development Partnership (or the Partnership Board). The Partnership Board is responsible for directing and overseeing the Cabinet and adopting a Strategic Plan. The Kentucky Economic Development Finance Authority (KEDFA) is a statutorily created committee under the authority of the Partnership Board. KEDFA is responsible for awarding most of the financial incentives offered by the Cabinet. The Partnership Board has also formed a separate non-state limited liability company, Commonwealth Seed Capital, LLC, to facilitate investment in seed-stage, knowledge-based companies. The Cabinet consists of: Office of the Secretary; Department for Business Development - Office of Commercialization and Innovation; Office of Research and Public Affairs; Office of Compliance, Financial and Administrative Services; Office of Legal Services		
Louisiana	Louisiana Economic Development	Stephen Moret was appointed secretary of Louisiana Economic Development by Gov. Bobby Jindal in January 2008. As the leader of Gov. Jindal's economic development team, Moret has focused on transforming LED into one of the top state economic development. The Office of the Secretary - Executive and Administration activity includes a wide range of leadership and administration services that are essential for LED to deliver against its mission, including reviewing laws, policies, and rules that impact economic development and the management of the department, and promulgating or recommending changes as appropriate. The Office also promotes collaborations among governmental units, businesses, and non-profit organizations to advance economic development in the state, and pursues funding and resources necessary to make Louisiana globally competitive in terms of business recruitment, retention and entrepreneurship. The State Economic Competitiveness activity identifies actions to improve state economic competitiveness through benchmarking, ranking comparison, developing plans for the improvement of economic development-related public infrastructure, and developing plans for improving competitiveness of industry-specific growth sectors. The Louisiana FastStart program provides a turnkey workforce solution for business expansion and recruitment projects. Louisiana FastStart assists in Louisiana's business recruitment and expansion efforts by fully and definitively addressing a top company concern - the availability of trained/qualified employees. LED has two main divisions: The Office of the Secretary (which executes the executive and administration program) and the Office of Business Development (which executes business development services and incentive services)	*Energy Utility Company operates a private sector economic development service as well	
Maine	Maine Department of Economic and Community Development	DECD is the umbrella organization for business development, community development, tourism & film, innovation, and international trade for the state of Maine. It was established to encourage economic and community planning and development policies and programs of the State and to coordinate these programs and policies within the context of a state economic development strategy. The department is also established to work with municipalities and regional planning and economic development organizations to build strong local and regional economics and to implement programs and services through these local and regional organizations.		
Maryland	Maryland Department of Business and Economic Development	This Department is one of 20 agencies within Maryland's executive branch. There are 240 employees in the Department, and the budget is approximately \$120 million. There are three divisions: Business and Enterprise Development; Marketing and Communications; Tourism, Film and the Arts. The Agency has 12 boards and commissions. The Department is led by a Secretary, appointed by the Governor.		

Massachusetts	Executive Office of Housing and Economic Development	Massachusetts' chief economic development office is the Executive Office of Housing and Economic Development (EOHED), overseen by the Secretary of Housing and Economic Development. The Secretary also oversees the Economic Development Planning Council, which prepares the state's long-term economic development strategic plan. Massachusetts also has various quasi-public agencies related to economic development that are outside of the Secretary's direct control. The EOHED is one of seven secretariats that make up the Governor's Cabinet. It includes the Office of the Secretary; Department of Business Development; Department of Housing and Community Development; Consumer Affairs and Business Regulation; Division of Banks; Division of Insurance; Division of Professional Licensure; Division of Standards; Department of Telecommunications and Cable; and Massachusetts Marketing Partnership.		
Michigan	Economic Development Corporation	Michigan has an Economic Development Corporation (MEDC) that is a "public body corporate," meaning it has the look and feel of a 501(c)(3) and is a membership organization of local communities. The MEDC has a Director and a separate executive committee with members appointed by the Governor without legislative approval. The Director of the MEDC reports directly to the governor (through the Governor's "Group Executive" program), the board of the Michigan Strategic Fund, and the MEDC executive committee.		
Minnesota	Department of Employment and Economic Development; Economic Development Association of Minnesota; Minnesota Economic Development Foundation	The Minnesota Department of Employment and Economic Development (DEED) is the state's principal economic development agency. DEED has five main divisions serving customers: Business and Community Development, State Services for the Blind, Unemployment Insurance, Vocational Rehabilitation Services, and Workforce Development. There is also an operations division that primarily supports these divisions. It is led by a Commissioner who was appointed by the Governor. The Economic Development Association of Minnesota is a professional association of individuals and organizations throughout the state of Minnesota who share this mission. We pursue our mission by providing development professionals a forum for exchanging information and staying abreast of current economic development strategies and practices and by providing economic developers with valuable networking and educational opportunities. EDAM members are leading economic developers in the state of Minnesota. EDAM consults with the state on public policy issues related to economic development, and helps continually define and improve the profession. The Minnesota Economic Development Foundation is a 501 (c) 3 private non-profit corporation formed for the purpose of building stronger Minnesota communities through economic development outreach, education, training and research initiatives.		
Mississippi	Mississippi Development Authority; Mississippi Economic Development Council	The Mississippi Development Authority (MDA) is the state of Mississippi's lead economic and community development agency, with approximately 300 employees engaged in providing services to businesses, communities and workers throughout Mississippi. The agency works to recruit new business to the state and retain and expand existing Mississippi industry and business. MDA also provides technical assistance to the state's entrepreneurs and small businessmen and women and oversees programs that support Mississippi's minority and women-owned businesses. In addition, the agency provides Mississippi's corporate citizens with export assistance, manages the state's energy programs and oversees programs that help its communities become more competitive. The agency works to promote tourism to the state and develop and support Mississippi's tourism industry, as well. Additionally, MDA is responsible for managing \$5.4 billion in federal Hurricane Katrina disaster recovery funds, economic stimulus funds and other federal programs for the state of Mississippi. The Executive Director was appointed by the Governor. The Mississippi Economic Development Council serves as the voice for Mississippi's economic/community development and chamber of commerce professionals and their constituencies. Through collaboration with other local, state and national entities, MEDC establishes and advocates Mississippi's economic and community development agenda.		
Missouri	Missouri Department of Economic Development	This department offers programs in business development; community development; housing development; redevelopment; workforce training; disaster relief; infrastructure and site development; and small business and entrepreneurship.		
Montana	Governor's Office of Economic Development; Montana Department of Commerce;	The Governor's Office of Economic Development serves to advise the Governor on policy issues related to economic development; lead the state's business recruitment, retention, expansion, and start-up efforts; and serves as the state's primary economic development liaison between federal, state, and local agencies, Montana tribal governments, private nonprofit economic development organizations and the private sector. They work directly with Local Development Organizations, Certified Regional Development Corporations, and Tribes toward the retention, recruitment, and expansion of businesses. We help structure deals making maximum beneficial use of state programs and resources. They also focus on workforce development, infrastructure development, technology development and permitting/regulatory issues. Additional areas of activity include economic development finance and tools, information tools, sector development, and cluster support. The office is headed by the Chief Business Development Officer and two economic development specialists (project development/administration, workforce development, Indian development, energy development and value-added agriculture development) and an office manager/executive assistant. There is also a Department of Commerce, headed by a Director who oversees several divisions and partnerships.		

Nebraska	Department of Economic Development	The Nebraska Department of Economic Development (DED) is the official lead economic development agency for Nebraska. Created by the Legislature in 1967, DED's emphasis is growing and diversifying the state's "economic base," bringing new dollars into the state.		
Nevada	Governor's Office of Economic Development;	The Office was created during the 2011 Session of the Nevada Legislature through a collaboration of the Nevada Governor's Office and the Leadership of the Nevada State Senate and State Assembly. GOED promotes a robust, diversified and prosperous economy in Nevada, stimulating business expansion and retention, encouraging entrepreneurial enterprise, attracting new business and facilitating community development. Nevada Governor's Office of Economic Development has two primary divisions—the Nevada Film Office and Economic Development—and, many resource programs to help businesses and Nevada's economy to grow.		
New Hampshire	New Hampshire Department of Resources and Economic Development-- Division of Economic Development	The Division of Economic Development - www.nheconomy.com - is comprised of two working offices, the Office of New Hampshire Business Resource Center and the Office of International Commerce - www.globalnh.com . The mission of the Office of Business and Industrial Development is to expand opportunities in New Hampshire through the attraction of new businesses and the expansion of existing businesses. The Office of International Commerce seeks to promote New Hampshire products and businesses to overseas markets.		
New Jersey	New Jersey Economic Development Authority;	The New Jersey Economic Development Authority (EDA) is an independent, quasi-governmental self-supporting entity in the U.S. state of New Jersey dedicated to broadening and expanding the state's economic base. The EDA creates public-private partnerships to provide access to capital by New Jersey's business community. The EDA's primary emphasis is on providing access to funds for small and mid-size businesses and nonprofit organizations. The EDA also supports entrepreneurial development through training programs. Real estate development projects that will create new jobs and business opportunities and enhance community revitalization efforts, are another goal pursued by the EDA.		
New Mexico	New Mexico Economic Development Department; NM partnership	This Department has a cabinet secretary appointed by the Governor. The New Mexico Partnership, a 501 (c)3 non-profit contracts annually with the Economic Development Department to undertake a sales and marketing program to bring new business to New Mexico from other states and countries. The Partnership is directed by a board consisting of two representatives from seven regional planning districts regions of the state, and the Cabinet Secretary of the EDD.		
New York	Empire State Development	Empire State Development (ESD) is New York's chief economic development agency. The mission of Empire State Development is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance, Empire State Development strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. The Corporation is governed by a Board of Directors comprising two ex-officio members and seven members appointed by the Governor with the consent of the Senate. The Chair of the Empire State Development Board is selected by the Governor and also serves as the Commissioner of Economic Development. Board members serve without compensation.		
North Carolina	NC Dept of Commerce	The N.C. Department of Commerce is the state's leading economic-development agency, working with local, regional, national and international companies. The department's mission is to improve the economic well-being and quality of life for all North Carolinians. The mission is carried out by serving existing business and industry, including providing international trade assistance, recruiting new jobs and domestic and foreign investment; encouraging entrepreneurship and innovation; marketing North Carolina and its brand; supporting workforce development; strengthening communities; and promoting tourism, film and sports development. The Department also provides data, statistics, information and reports for state government and agencies, which regulate commerce in the state. The Department is an executive branch agency headed by the Secretary of Commerce. Appointed by and directly reporting to the Governor, the Secretary of Commerce also serves as a member of the Governor's Cabinet. The Department has a total operating budget of \$137 million with 297 full-time staff. One deputy secretary, six assistant secretaries and two executive directors assist the Secretary in administering the Department's varied programs. Each of these officers is responsible for corresponding division operations.		

North Dakota	North Dakota Dept of Commerce	The North Dakota Department of Commerce leads the state's efforts to attract, retain and expand economic wealth. Charged with coordinating and focusing the state's economic development resources, the business development team works closely with national and local partners to accomplish that task. Business incentives, government accessibility, and workforce performance, combined with North Dakota's favorable position as one of the lowest cost states for operating a business, are driving top companies to establish operations in North Dakota. The Economic Development and Finance division provides full service site location, incentive packaging and business liaison assistance. The North Dakota Commerce Cabinet is composed of: The Directors of each of the North Dakota Department of Commerce Divisions (Community Services, Economic Development & Finance, Tourism and Workforce Development). The executive heads, or other authorized representatives, of the state board for career and technical education, the state board of higher education, the Bank of North Dakota, the department of agriculture, workforce safety and insurance, the department of transportation, job service North Dakota, the game and fish department, and of any other state agency appointed by the commissioner. The Commissioner of the North Dakota Department of Commerce is the chairman of the cabinet and shall determine which agencies are members of the cabinet.		
Ohio	OH Dept of Development (becoming OH Development Services Agency)			
Oklahoma	Oklahoma Department of Commerce	The Oklahoma Department of Commerce is the primary economic development entity in the state. Their mission is to increase the quantity and the quality of jobs in Oklahoma. Their Secretary is appointed by the Governor. They have four main objectives: business attraction, creation and retention; community development; knowledge-based industry development; workforce development, recruitment and retention.		
Oregon	Business Oregon	Business Oregon is a public agency. The Director is appointed by the Governor and its Business Development Commission is composed of private citizens. Oregon also has an Infrastructure Finance Authority, which issues bonds. Oregon also has the Oregon Innovation Council, which is a group of 50 private sector, academic, and governmental leaders.		
Pennsylvania	PA Dept of Community and Economic Development	The mission of the Department of Community and Economic Development is to foster opportunities for businesses to grow and for communities to succeed and thrive in a global economy. Its mission is to improve the quality of life for Pennsylvania citizens while assuring transparency and accountability in the expenditure of public funds. DCED and the Commonwealth offer business assistance to help organizations fund their projects or start a business, find a location, expand their business, or stay in Pennsylvania. The Governor's Action Team (GAT), a group of professionals chosen to help businesses with every aspect of expansion or relocation projects. GAT works with individual companies to provide "one-stop shopping" for any relocation or expansion needs. The team members provide liaison with local governments, subcontractors, and utility companies. They identify available grants, loans, and other financial incentives. And they help find the best place to locate the business. DCED also focuses on community development; and technology investment; international business.		
South Carolina	South Carolina Department of Commerce	The South Carolina Department of Commerce promotes economic opportunity for individuals and businesses. From assisting with the location of new sites and buildings, offering grants for community development and infrastructure improvement, to providing workforce training, the Department of Commerce is here to help new and existing businesses grow	Coordinating Council for Economic Development incorporates related state agencies: http://scommerce.com/about-sc-commerce/sc-coordinating-council-economic-development	Also maintains the SC Coordinating Council for Economic Development
South Dakota	South Dakota Governor's Office of Economic Development	Resources from financing to research, from networking to cutting red tape - that you can use to help your new or existing business grow.		
Tennessee	TN Department of Economic and Community Development	The Tennessee Department of Economic and Community Development's mission is to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth. Government agency		Tennessee Economic Development Council provides economic development services/strategies through membership

Texas	Texas: Wide Open for Business (through Governor's Office); Texas Economic Development Council	Texas Wide Open for Business promotes Texas economic development and is the official brand for the Texas Economic Development division within the Office of the Governor. Texas Wide Open for Business provides valuable information and resources to companies looking for expansion or relocation opportunities in the Lone Star State		TEDC is a non-profit professional organization sustaining ideas, information, and influence. We are the largest state association of economic development professionals, volunteers, and elected officials. Our diverse members share a common goal -- bringing new investment and jobs
Utah	Utah Governor's Office of Economic Development; edcUtah	The mandate for this office is to provide rich business resources for the creation, growth and recruitment of companies to Utah and to increase tourism and film production in the state. The Governor's Office of Economic Development accomplishes this mission through the administration of programs that are based around industries or "economic clusters" that demonstrate the best potential for development. The Governor's Office of Economic Development utilizes state resources and private sector contracts to fulfill its mission.	Structure of Board: http://www.business.utah.gov/GOED/about/board/	edcUtah provides the public-private partnership for expansion, relocation
Vermont	Vermont Economic Development Authority	VEDA is Vermont's statewide economic development finance lender. Created by the General Assembly in 1974, VEDA's mission is "to contribute to the creation and retention of quality jobs in Vermont by providing loans and other financial support to eligible and qualified Vermont industrial, commercial and agricultural enterprises."		
Virginia	Office of the Secretary of Commerce; Virginia Economic Development Partnership	In 1995, the Virginia General Assembly created the Virginia Economic Development Partnership to better serve those seeking a prime business location and increased trade opportunities and, therefore, to foster increased expansion of the Commonwealth's economy. As a state authority, the Partnership is governed by a 21 member Board of Directors comprised of businesspersons from around Virginia, each of whom is appointed by the Governor and the General Assembly. Our Executive Director is employed by the Board to oversee the fulfillment the mission to focus on cultivating new business investment, fostering international trade growth and encouraging the expansion of existing Virginia business.		
Washington	Washington Economic Development Association; Washington Economic Development Commission	Statewide, non-profit offering public and private members and others, high quality training and networking opportunities at its meetings throughout the year. The legislative meeting includes a networking reception with legislators, economic development training and policy making update sessions; WEDC created by law with private sector guidance intended to strengthen the state's capability to foster an innovative ecosystem. Economic success will come from both the public and private sector leaders' partnership - their commitment to developing and advocating a shared vision, and collaborating across organizational and geographic boundaries.		The Department of Commerce also offers business services, research, etc.
West Virginia	West Virginia Economic Development Authority; West Virginia Dept of Commerce--Development Office	WVEDA is a public entity charged with the responsibility to develop and advance the business prosperity and economic welfare of the State of West Virginia, by providing financial assistance in the form of loans and direct financing and operating leases to industrial development agencies and enterprises for the promotion and retention of new and existing commercial and industrial development; WVDO expands and creates better through business support, attracting new businesses, diversification, providing research/strategy, improving communities, marketing the state		
Wisconsin	Wisconsin Economic Development Corporation	As the state's lead economic development organization, the Wisconsin Economic Development Corporation (WEDC) nurtures business growth and job creation in Wisconsin by providing resources, technical support, and financial assistance to companies, partners and the communities they serve. Wisconsin aims to be the best in the world by providing a positive business climate, world-class support services, and economic development tools to accelerate business start-up, attraction, and growth. On July 1st 2011 functions once performed by the Wisconsin Department of Commerce were assigned to other state agencies and the Wisconsin Economic Development Corporation.		
Wyoming	Wyoming Business Council	The creation of the Wyoming Business Council in 1998 dramatically changed Wyoming's approach to economic development. Unlike the state's previous economic development efforts, this organization has a more corporate structure, incorporates private business practices in order to drive programs and has established regional offices throughout the state to better serve clients. The state of Wyoming created the Wyoming Business Council to focus public and private efforts to build a strong job creation base in the new economy with manufacturing and technology as core competencies while strengthening the existing business and industry groups under alternative energy, agriculture, manufacturing, high tech, transportation and logistics.		Also has a non-profit association of economic development agencies, Wyoming Economic Development Association

Massachusetts Finance and Development Agencies

Massachusetts Economic Development Agencies

Organization	Mission
Commonwealth Corporation	Adult and youth employment training
Executive Office of Housing & Urban Development	Programs to support business growth and job creation/retention
Massachusetts Office of Business Development	Promoting job growth, retaining existing jobs, stimulating private investment
Massachusetts Office of International Trade & Investment	Expand the Massachusetts economy by marketing the state's business internationally
Massachusetts Office of Travel & Tourism	Bring together public and private sectors to promote Massachusetts as a leisure destination
Small Business Development Centers Network (SBDC)	Technical assistance for small businesses
Workforce Training Grants	Provide grants to private Massachusetts employers to upgrade the skills of their current or newly hired workers to increase competitiveness

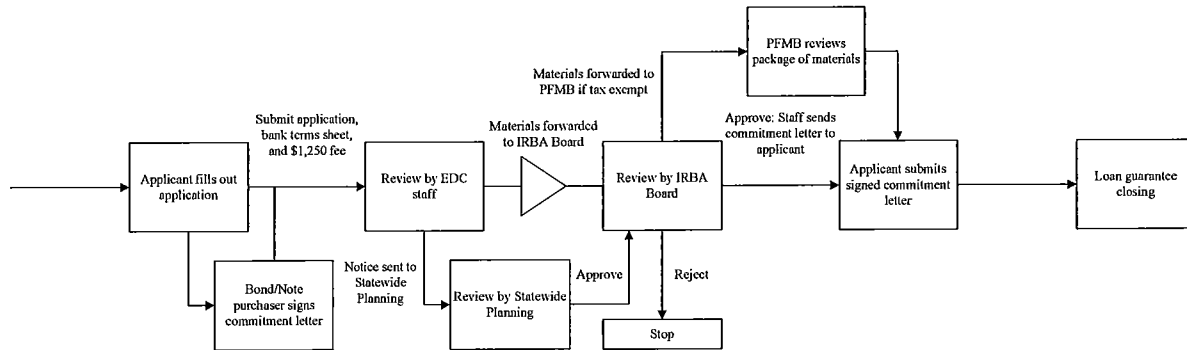
Massachusetts Financing Agencies (Ranked by FY2010 financing)

Organization	Mission
Massachusetts Health and Educational Facilities Authority (HEFA)	Tax-exempt debt to non-profits
Massachusetts Development Finance Agency	Lender and developer to public and private sector
Massachusetts Life Science Center (MLSC)	Investing in life sciences research and economic development
Massachusetts Technology Collaborative (MTC)	Economic development for emerging technologies
Massachusetts Clean Energy Center (CEC)	Accelerate Massachusetts' clean energy economy by building a sustainable community of clean energy partners
Economic Stabilization Trust (EST)	Financing to value added businesses/manufacturing
BDC Capital (BDC)	Provide loans and investment capital to growing New England companies
Massachusetts Community Development Finance Corporation (CDFC)	Focus on financing of small businesses located in low income/blighted areas
Massachusetts Technology Development Corporation (MTDC)	Provides venture capital for technology companies

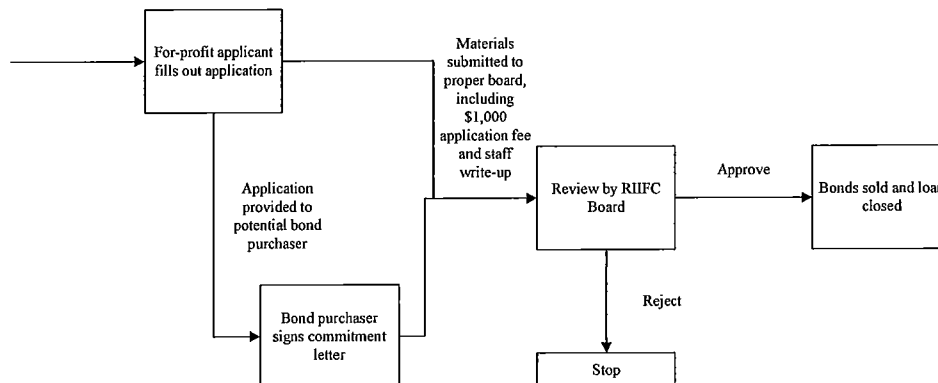
SOURCE: Massachusetts Quasi-Public Corporation Planning Council Annual Report Fiscal Year 2010

Loan Approval Processes

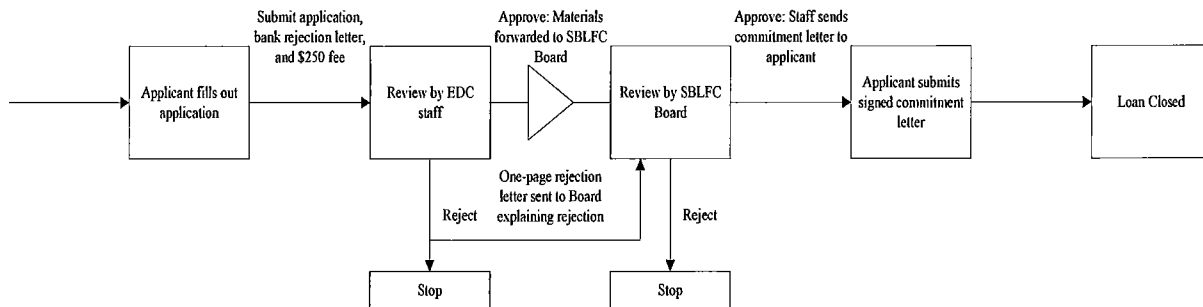
Rhode Island Industrial-Recreational Building Authority (IRBA) Loan Approval Process



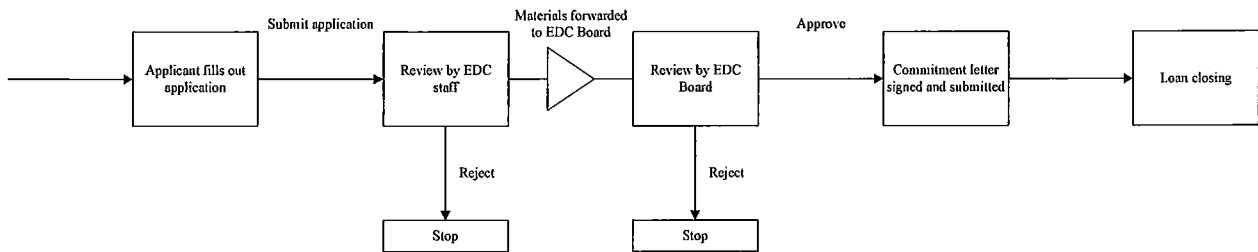
Rhode Island Industrial Facilities Corporation Loan Approval Process



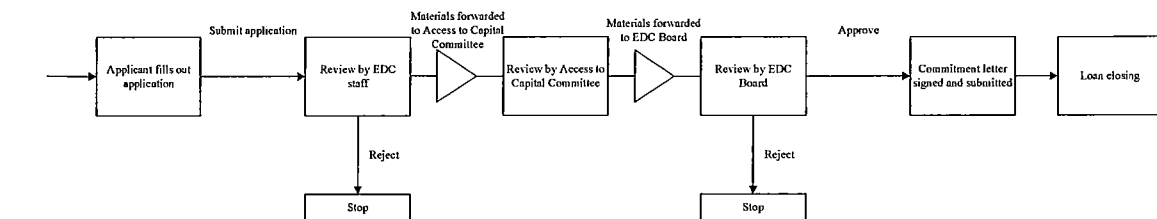
Small Business Loan Fund Corporation Loan Approval Process



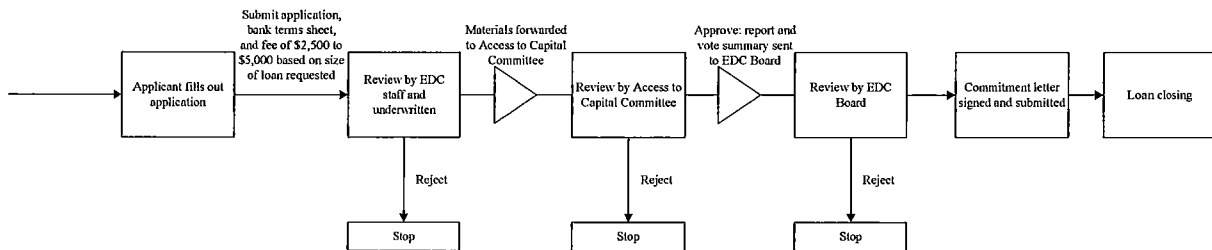
Renewable Energy Fund Loan Approval Process



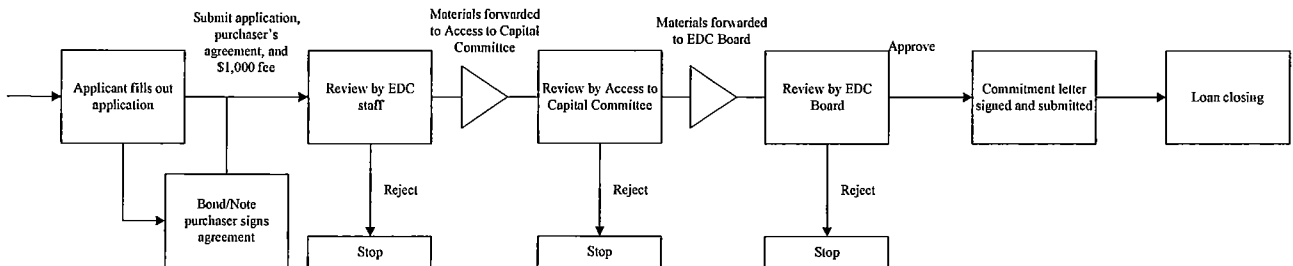
Renewable Energy Fund Recommended Loan Approval Process



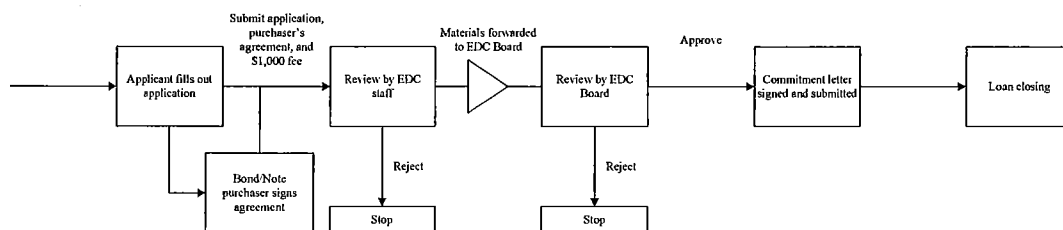
Job Creation Load Guarantee Loan Approval Process



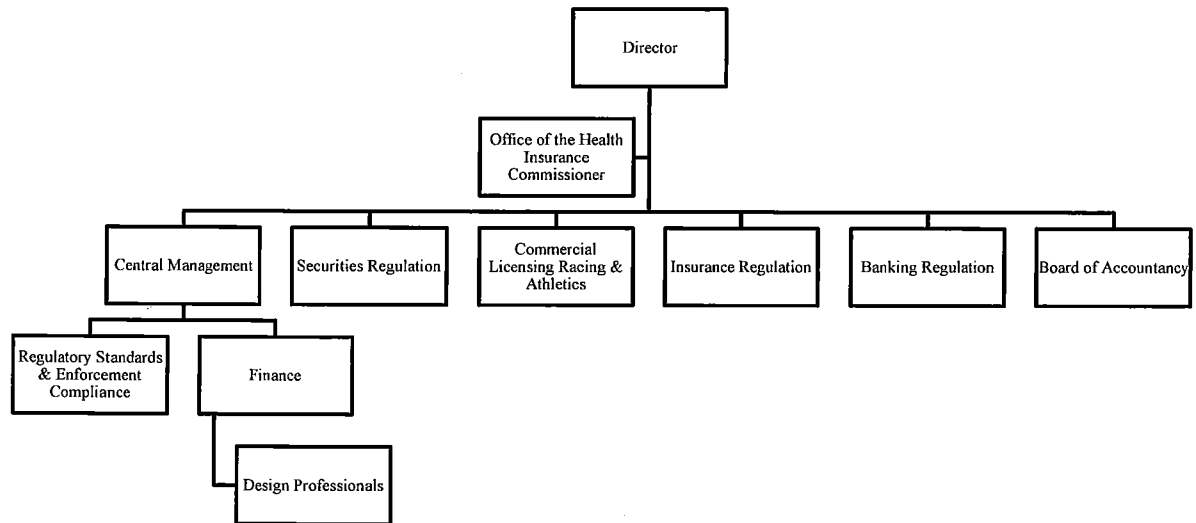
EDC Financing Loan Approval Process



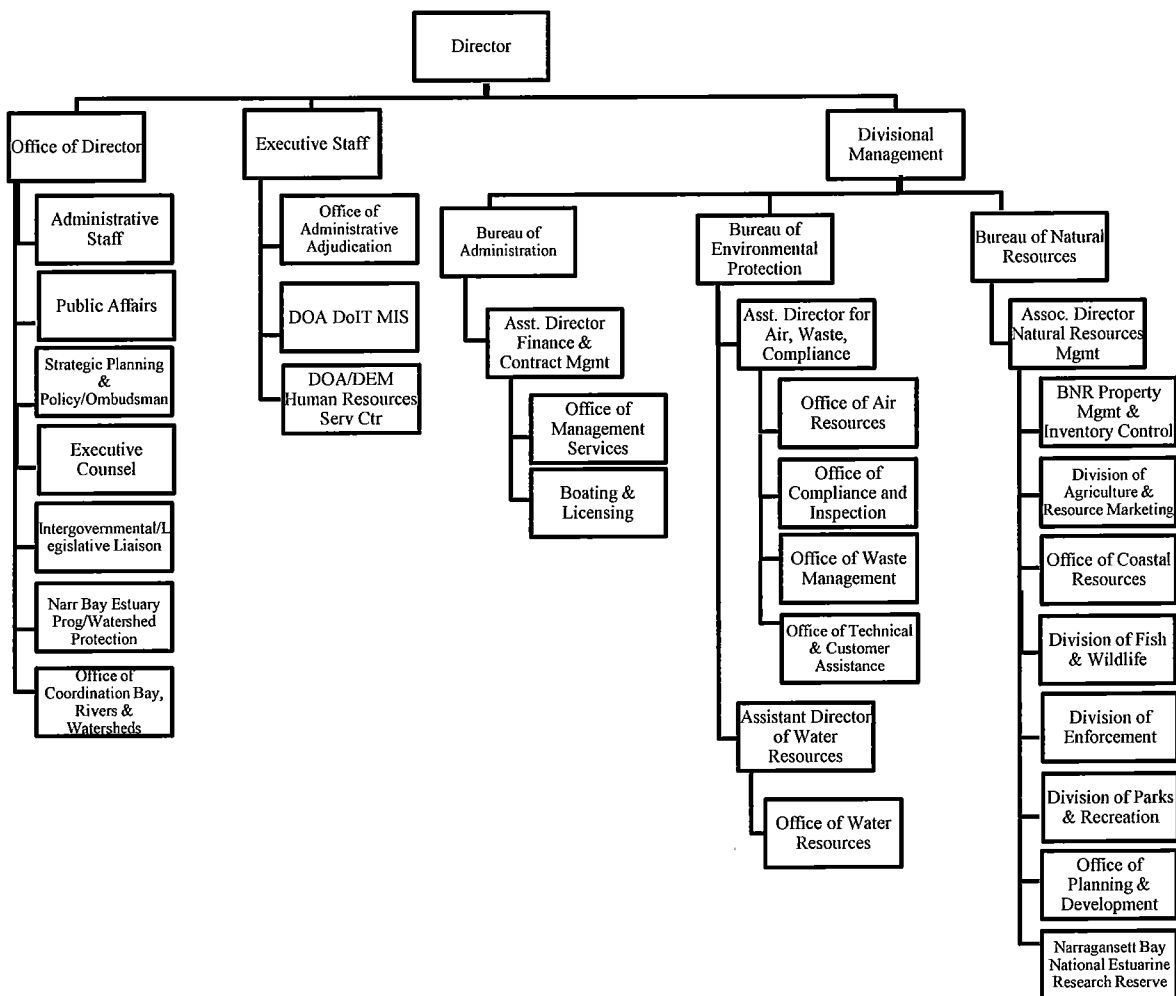
EDC Conduit Financing Loan Approval Process



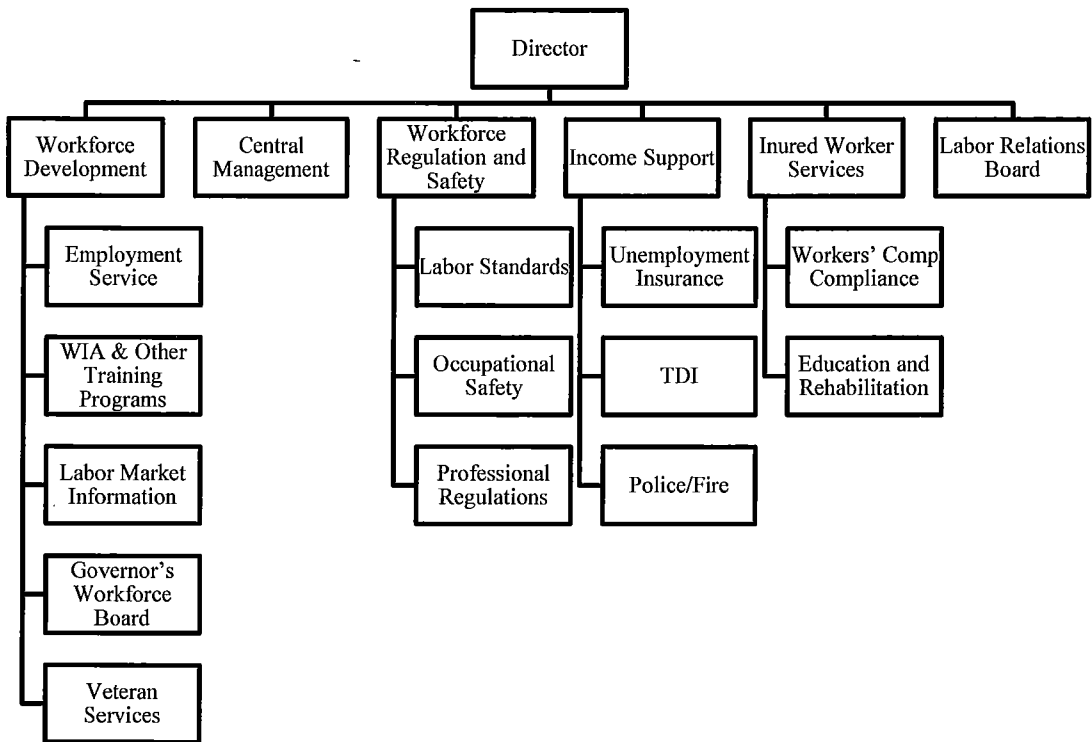
Structural Organization of Department of Business Regulation



Structural Organization of Department of Environmental Management



Structural Organization of Department of Labor and Training



Job Creation Guaranty Pre-Qualifying Criteria

Access to Capital Subcommittee
315 Iron Horse Way, Suite 101
Providence, RI 02908
401-278-9100

**Rhode Island Economic
Development
Corporation**

Memo

To: Access to Capital Subcommittee
From: Finance Staff
Date: April 25, 2012
Re: JCGP Pre-Qualifying Criteria

The Access to Capital subcommittee along with the EDC finance staff have developed a set of pre-qualifying criteria which would aid in the assessment of possible applicants of the program. There are two sets of pre-qualifying criteria: One set for those businesses which are considered 'start-ups' or are currently in the pre-revenue stage, and another set for 'established' businesses, meaning those which are in business and are generating revenue. The universal criteria for any applicant is that there must be a growth opportunity to be funded utilizing the program. The program is not to maintain "status quo" but to fund new opportunities for growth.

The Rules and Regs currently in place for the program indicate priority will be given to those projects which promptly create permanent, full time jobs with annual wages in excess of 250% of the then current minimum wage earned annually with industry comparable benefits. A full time job shall mean one in which an employee works a minimum of 30 hours per week within the state of RI. It also indicates priority shall be given to those companies looking to expand high wage jobs in knowledge industry growth clusters.

Loans eligible for the guarantee will range from \$250,000 to \$10 million. Only *complete* applications (including all supporting documentation) will be reviewed for consideration.

Start-ups (Pre-Revenue)

- **Restricted Use of Funds:** Funds may not be used for the refinance of principal's debt.
- **Equity:** A minimum co-investment of 30% required (can be equity or other subordinated debt).
- **Job Growth Opportunity:** Job Creation of *8 to 11 jobs per million requested, over the complete term of the financing, with an established measurable bench mark being assessed at the end of year 2 and forward. (Penalties for the inability to create jobs will begin at this time).
- **Cash Flow:** Business must demonstrate positive cash flow within 24 months of final funding (does not necessarily need to be sufficient to support debt). Minimum 1 to 1 cash flow to support debt must be demonstrated by the end of the interest only period (the 'debt' shall include any fees associated with the guarantee).
- **Regulatory Approvals:** Any approvals required by regulatory bodies for licensing, permitting, etc. must be in place prior to submitting an application for the guarantee.

- **Personal Guarantee:** Any 20% or more owner/operator of the business must provide a personal guarantee. In the case where there is no 20% or greater ownership, management with a controlling interest may be required to guarantee.
- **Consultant:** An independent report to validate intellectual properties such as patents, copyrights, etc., may be required at the expense of the borrower.

Established Businesses:

- **Restricted Use of Funds:** Funds may not be used for the refinance of principal's debt.
- **Equity:** A minimum co-investment of 20% required (can be equity or other subordinated debt). A waiver of this requirement may be considered on a case by case basis for those companies that demonstrate significant retained earnings, profitability, etc.
- **Job Growth Opportunity:** Job Creation of ***8 to 11** jobs per million requested, over the complete term of the financing, with an established measurable bench mark being assessed at the end of year 2 and forward. (Penalties for the inability to create jobs will begin at this time). Job *retention* will not count toward these figures.
- ****Cash Flow:** Business must demonstrate positive cash flow at the time of the request. Minimum 1 to 1 cash flow to support debt must be maintained and demonstrated by the end of the interest only period (the 'debt' shall include any fees associated with the guarantee)
- **Regulatory Approvals (if applicable for a new business model):** Any approvals required by regulatory bodies for licensing, permitting, etc. must be in place prior to submitting an application for the guarantee.
- **Personal Guarantee:** Any 20% or more owner/operator of the business must provide a personal guarantee. In the case where there is no 20% or greater ownership, management with a controlling interest may be required to guarantee.
- **Consultant:** An independent report to validate intellectual properties such as patents, copyrights, etc., may be required at the expense of the borrower.

*** 8 to 11 job number is subject to further analysis. Further work to be done, possibly with local professors of economics, in order to determine the true value of a job to the state's economy. Once this is established the job number per million can be better quantified.**

**** Those applicants which do not meet the criteria for established business in regards to cash flow will be evaluated using the criteria for Start-ups (Pre-Revenue).**

Small Business Financing Profiles

SBA Non-504 Loans					SBA 504				
	RIEDC Small Business Loan Fund (SBLF)	SBA 7(a) Loan Program*	SBA Microloans**	Ocean State Business Development Authority (OSBDA)	N.E. Certified Development Corporation (NE Cert.)	South Eastern Economic Development Corporation (SEEDC)	Bay Colony Development Corporation (Bay Colony)	Rhode Island Community Investment Corporation (RICIC)	Business Development Corporation (BDC)****
Interest	Fixed, based on risk (prime + x); recently 7.5% (no direct ranking system)	Maximum: Maturity < 7 yrs - prime rate+2.25%; Maturity ≥ 7 yrs - prime rate+2.75%	Fixed rate, typically 8-13%	Fixed rate depending on market rate of government securities (typically 10-year Treasury rates, plus 225 basis points)	Set monthly by SBA	Fixed 5-6% (at present)	Increment above the market rate (at time of loan) for 5 and 10-yr Treasury Bonds	Unknown at present	Fixed or floating, fixed rates typically 9-12% (rate covers administrative costs)
Term	Maximum - 10 yrs for real estate, machinery and equipment; 5 yrs for working capital	Maximum - 25 years for real estate; 10 years for working capital, equipment	Shortest possible, not exceeding 6 years	Maturities of 10 or 20 years	Maturities of 10 or 20 years	Maturities of 10 or 20 years	Maturities of 10 or 20 years	Maturities of 10 or 20 years	1-7 years
Collateral	Security and personal guaranty typically required with > 20% ownership; working capital loans could require a personal lien on home or office (equipment can be used directly)	Loan cannot be declined on the basis of lacking collateral but adequacy of collateral is assessed	Some (determined by intermediary lender), plus personal guaranty	Lien on all project assets; often personal guarantees of principal owner(s) (project dependent)	Lien on all project assets; often personal guarantees of principal owner(s) (project dependent)	Lien on all project assets; often personal guarantees of principal owner(s) (project dependent)	Lien on all project assets; often personal guarantees of principal owner(s) (project dependent)	Lien on all project assets; often personal guarantees of principal owner(s) (project dependent)	Lien on all corporate assets, frequently a junior lien onto a senior bank lender; personal guaranty typically also required
Equity	No strict requirement but ideally SBLF contributes 25% of project funds (in conjunction with another bank lender or singularly)	Adequate to substantiate "debt-to-worth" analysis	Unknown at present	Borrower must inject 10-20% of the project's cost (contingent on type)	Borrower must inject 10-20% of the project's cost (contingent on type)	Borrower must inject 10-20% of the project's cost (contingent on type)	Borrower must inject 10-20% of the project's cost (contingent on type)	Borrower must inject 10-20% of the project's cost (contingent on type)	Unknown at present
Costs	Application fee \$250; Commitment fee of up to 1%	Contingent on size and duration of loan: .5%-3.75% of guarantee	Lender can transfer SBA fees (incremental guaranty fee up to 3.75% on the guaranteed portion of the loan, plus .55% monthly on the outstanding balance of the guaranteed portion) to the borrower	1 job must be saved or created within one year for every \$50,000 dispersed; Add soft cost to debenture, no out of pocket costs incurred	Unknown at present	One time packaging fees total 2.65% of the SBA 504 loan amount, rolled into loan	Approximately 2.15% of debenture amount, which can be rolled into the loan; Legal costs for the debenture are typically \$2,000 to \$3,000 depending on the loan size, and can also be rolled into the loan; One-time bank participation fee: 0.5% of bank loan; Assumption fee of about 1%	Unknown at present	Application fee 1-2%; Potential prepayment fee. Administrative costs covered by interest rate.
<p>*SBA loans designated for business with special requirements (eg. export-based companies, rurally-based firms, etc.)</p> <p>**Small, short-term loans (up to \$50,000) made available through nonprofit community organizations that also provide administrative and management advisory</p> <p>***Long-term, fixed-rate financing for small business development accessed through certified development companies for real estate, equipment, refinancing (not working capital)</p> <p>****Offers both non-SBA loans and SBA 7(a) loans. Most requirements are comparable.</p> <p>SOURCE: EDC materials; Small Business Administration materials; Business Development Company materials</p>									